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Canada... 0.00 C. ... 1.00 L. ... 1.000 L.
France... 0.00 F. ... 1.00 L. ... 1.000 L.
Germany... 0.00 M. ... 1.00 L. ... 1.000 L.
Italy... 0.00 I. ... 1.00 L. ... 1.000 L.
Japan... 0.00 Y. ... 1.00 L. ... 1.000 L.
Netherlands... 0.00 G. ... 1.00 L. ... 1.000 L.
Portugal... 0.00 E. ... 1.00 L. ... 1.000 L.
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PARIS, SATURDAY-SUNDAY, FEBRUARY 7-8, 1987

Soviets Debate Reagan's Power

Allies Query U.S. Intent on ABM Treaty

By Michael R. Gordon
New York Times Service

WASHINGTON — Arms control advocates in Congress and among the Western allies have expressed concern about reports that the Reagan administration may interpret the anti-ballistic missile treaty of 1972 to allow extensive testing of some space-based anti-missile systems and accelerate their deployment.

In Congress, several lawmakers vowed Thursday to promote legislation that would restrict spending for space-based missile defenses if the administration pursued this course.

The allies appear to have been caught by surprise by the developments, a diplomat said.

Lord Carrington of Britain, secretary-general of the North Atlantic Treaty Organization, is reported to have sent a letter to the administration asking that the alliance be consulted before a decision is made on early deployment of space-oriented defense systems.

A U.S. official said the British ambassador, Sir Anthony Acland, met Thursday with Secretary of State George P. Shultz and maintained that the United States should not act on a broader interpretation of the ABM treaty that would permit extensive testing of the Strategic Defense Initiative system, or "star wars," as it is commonly known.

Prime Minister Margaret Thatcher of Britain and Chancellor Helmut Kohl of West Germany have said that the United States should keep to the traditional view of the 1972 treaty.

Japanese diplomats have also reportedly expressed concern. The United States has been trying to involve Japan in the SDI research program, and the Japanese could



Lord Carrington

Washington will rule out deploying major weapons on a planned space station. Page 5.

find it politically difficult to support a program that goes beyond research to actual deployment.

These concerns are being voiced amid signs that Defense Secretary Caspar W. Weinberger and other advocates of the space-oriented missile defense program have prevailed over Mr. Shultz.

Officials said Wednesday that Mr. Shultz would not oppose a decision to adopt a broad interpretation of the ABM treaty. But they said he was talking this position on the assumption that Congress and the allies would be consulted first.

Representative Jack F. Kemp, Republican of New York, said Wednesday that Mr. Shultz was trying to "stall" the program.

Mr. Shultz proposed at a meeting Tuesday at the White House that the State Department carry out a six-month legal review before the administration adopts the new view of the treaty.

Attorney General Edwin Meese III, however, reportedly said that

Gorbachev Wary About Iran Affair

By Philip Taubman
New York Times Service

MOSCOW — Mikhail S. Gorbachev told a group of former U.S. officials this week that he wanted to proceed with arms control talks but was uncertain whether President Ronald Reagan still had sufficient political strength to negotiate, one of the Americans said Friday.

Mr. Gorbachev's comments were reported one day after Moscow announced that it would resume nuclear weapons testing, at an unspecified date, after an 18-month moratorium. A Soviet official said continued U.S. testing had forced the decision.

The American who reported Mr. Gorbachev's comments said the Soviet leader and other officials appeared eager to get the Americans' evaluation of the Iran arms sale affair and how seriously it had affected Mr. Reagan politically.

"It was clear to us that a debate is going on in the leadership about whether to deal with Mr. Reagan over the next two years," the former official said. He added, "For the moment, they seem to have decided to go ahead and not to treat him as a lame duck."

The American, a senior member of the delegation, asked not to be identified, saying that he and the other members of the visit organized by the New York-based Council on Foreign Relations had agreed not to discuss their trip publicly until they returned to the United States on Saturday.

The group included Henry A. Kissinger and Cyrus R. Vance, former secretaries of state; Harold Brown, former secretary of defense; Jeanne J. Kirkpatrick, former delegate to the United Nations; David C. Jones, a retired U.S. Air

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Seoul police searched a youth Friday near the cathedral where the memorial is planned for the slain student.

In Collapse of Terror Talks, Jittery Allies

ROME — Foreign Minister Giulio Andreotti said Friday that a proposed meeting of seven industrialized countries to discuss terrorism was not held because some nations feared that military action to free hostages would be discussed.

He asserted that the fear was unfounded.

The United States had proposed the Rome meeting, starting on Friday. The seven largest industrialized democracies, known as the Group of Seven, signed a statement at a summit meeting in Tokyo in May pledging international cooperation to combat terrorism.

The nations are the United States, Britain, Italy, France, West Germany, Canada and Japan. Reports from Paris on Thursday

indicated that France had opposed the Friday meeting and was backed by Britain and West Germany.

Dennis Boudoin, a spokesman for the French prime minister, Jacques Chirac, said at a press conference

A report on Abu Nidal links Syria to terrorists. Page 5.

ence in Paris that the French government preferred to win the release of its hostages through independent contacts.

At least 26 foreigners are being held hostage in Lebanon. Eleven have been captured since Jan. 12.

Italian and foreign press reports said that the meeting was never firmly scheduled and that no invitations were sent out.

Mr. Andreotti said the problem

of hostages could have been discussed at the proposed meeting.

"The worry came up in some countries that this would signify an examination of military action," Mr. Andreotti said, adding that this concern was unfounded because such topics did not fall within the competence of the officials likely to have attended.

"The meeting on this topic is not being held because this misunderstanding arose," he added.

The next regularly scheduled meeting of the Group of Seven is in June in Venice.

U.S. Clarification

Charles E. Redman, the State Department spokesman, said Thursday that the United States had proposed the Rome meeting to exchange information and views on

the spate of recent kidnappings. The New York Times reported from Washington.

"We approached the Italians," Mr. Redman said. "They agreed to host such a meeting. Some other members of the summit group did not feel that a meeting would be propitious at this time."

The State Department spokesman said there had been a "number and variety" of reasons why some countries did not want to attend.

Asked why the United States had sought the meeting, another State Department official said it was not to elicit joint actions or a unified strategy, but simply to give an opportunity for high-level discussion of the kidnapping problem. No decisions or new moves were contemplated, he said.

S. Korea Girds for Protests

2,000 Arrested Before Service for Slain Student

By John Burgess
Washington Post Service

SEOUL — Thousands of South Korean riot police, equipped with shields, clubs and tear gas, mobilized Friday night to try to prevent a mass memorial Saturday afternoon for Park Chong Chul, a student who died during police torture.

Government television said Friday that the police took more than 2,000 people into custody Thursday night as part of an effort to prevent the gathering from taking place. The memorial has been banned.

Government officials said Kim Dae Jung, a dissident leader, and about a dozen organizers of the memorial service had been placed under temporary house arrest. United Press International reported from Seoul.

[As many as 140 civic, religious and opposition leaders will be confined to their homes in Seoul and 17 provincial cities on Saturday afternoon, the officials said.]

The main service is planned for Myongdong Cathedral in Seoul, but organizers have asked people throughout the country to ring bells in churches and Buddhist temples bells, hawk ear horns and observe a minute of silent meditation.

Police have been instructed to stop these actions where possible.

The event Saturday was organized by church, labor, student and dissident groups, as well as by the opposition New Korea Democratic Party. The government succeeded

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Lebanon Magazine Says Waite's Release Is Near

By Nora Boustany
Washington Post Service

BEIRUT — The Lebanese As-Sabea magazine quoted Islamic sources Friday as saying they expected that Terry Waite, the Anglican Church envoy, would be released in the next week when the threat of military action subsided.

The publication, which exposed U.S. arms sales to Iran late last year, said the kidnappers considered Mr. Waite's case to be separate from those of the other foreign hostages they are holding.

The sources noted that Mr. Waite's captors saw in his detention a way of "reactivating severed communication lines with the United States." The weekly said its sources expected Mr. Waite to be discharged in the coming week as soon as "the military storm in the region settles down" and after he completes his negotiations with the captors.

[In London, the Foreign Office said Friday that the Beirut magazine was more reliable than some other sources of reports on Mr. Waite. The Associated Press reported. However, the office emphasized that it had no confirmation of the report.]

[The archbishop of Canterbury, the Most Reverend Robert Runcie, refused to comment on the various reports. But a spokesman said, "We have been in contact with our own sources in Beirut today and we still have no confirmation that he is being held."]

A novel U.S. buildup off Lebanon shores led to speculation that the United States might resort to a military strike to try to rescue hostages.

On Friday, the United States reduced its naval assault force in the eastern Mediterranean, officials in Washington announced.



REPORTER FREED — Gerald F. Self, a U.S. reporter expelled by Iran after being held six days on spy charges, was met by his wife, Barbara Rosewicz, in Zurich. Page 2.

Dollar Edges Higher on Hints From U.S.

Wary Market Is 'Trading on Baker'

By Ferdinand Procman
International Herald Tribune

FRANKFURT — The dollar continued higher Friday on improved U.S. economic reports and a growing perception that the Reagan administration may now believe that the currency has fallen far enough.

Dealers said they detected a slight weakening in the market's overwhelming bullishness toward the dollar, but emphasized that the currency remained highly vulnerable to a further decline.

In New York, the dollar closed at 1.8625 Deutsche marks, up from 1.8365 DM at Thursday's close, and at 6.2020 French francs, up from 6.1210 Thursday.

Earlier in London, the dollar closed at 1.8555 DM, down from the day's high of 1.8695 DM but up from 1.8385 at Thursday's close.

Dealers said that the U.S. currency's early gains came on the strength of reports from Washington that an unidentified official in the Reagan administration had said that James A. Baker 3d, the U.S. Treasury secretary, and Paul A. Volcker, the chairman of the Federal Reserve Board, see "eye to eye" on basic policy concerning the dollar.

The statement pushed the dollar

sharply higher. The widespread perception on foreign-exchange markets has been that of the two, Mr. Volcker alone believed that the dollar has fallen far enough.

"Baker is all the market has been trading on for a long time," said Daniel Holland, assistant vice president at Discount Corp. in New York.

"Everyone has been waiting for him to say the dollar has fallen far enough and a lot of people took the news that way," he said. "And it just feels as though we are getting near the bottom."

But Mr. Baker has not actually said what the dollar's level should be. At a news conference Wednesday in Saudi Arabia, he reiterated that the market would determine the dollar's "appropriate" level.

A dealer for a large Frankfurt bank commented, "The market has great faith in Mr. Volcker, and was relieved when he told Congress the dollar had fallen far enough."

"But the feeling was that he was isolated in the administration," the dealer said, "and that Mr. Baker was directing policy."

A currency trader based in Chicago who asked not to be identified said that a great deal of skepticism remained about U.S. policy statements.

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James A. Baker 3d

Unemployment Stable in U.S.

The U.S. economy created more than 375,000 jobs in January and the civilian unemployment rate was held at 6.7 percent, its lowest level in nearly seven years, the government reported Friday. Page 7.

G-5 Meeting Is Still Sought

By Axel Krause
International Herald Tribune

PARIS — The five leading industrial countries are still attempting to set up a meeting of finance ministers and central bankers in Paris soon, West European and U.S. government officials said Friday.

Persistent reports that such a meeting of the Group of Five is imminent have helped strengthen the U.S. dollar on foreign markets this week. But officials said that the meeting would not center on the dollar's slide but on worldwide fiscal coordination to stimulate economies.

French, West German and Italian officials stressed Friday, however, that serious obstacles remained to calling a meeting.

One particularly sensitive issue blocking the meeting is whether any such meeting should include Canada and Italy, which belong to the Group of Seven with the members of the Group of Five: the United States, Japan, West Germany, France and Britain.

Skepticism by the United States, West Germany and Britain that such a meeting would have an impact on currency values has also slowed preparations, the officials said.

Both Gerhard Stoltenberg, finance minister of West Germany, and Karl Otto Pöhl, president of its Bundesbank, have openly questioned the value of a G-5 meeting in reversing, or even slowing, the dollar's prolonged decline. In the past year, the dollar has lost 40 percent of its value against the Deutsche mark and 50 percent against the Japanese yen.

On Friday, a Bundesbank official reiterated the West German view that the dollar's weakness is

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Kremlin Is Warned That AIDS Is Not Just a Western Problem

By Philip Taubman
New York Times Service

MOSCOW — The threat of an AIDS epidemic in the Soviet Union, publicly dismissed as a remote possibility, has privately become a matter of concern at the highest levels of the Communist Party, according to Soviet officials.

Soviet health officials said Thursday that the country's leading expert on acquired immune deficiency syndrome had briefed top party leaders about the disease, warning that the Soviet Union must be prepared for the spread of AIDS among its population.

The expert, Viktor M. Zhdanov, the director of the Ivanovsky Institute of Virology of the Soviet Academy of Medical Sciences, met Tuesday with the secretaries of the Central Committee, who are the party's senior administrative officers, according to an aide to the scientist.

"The disease is sure to reach us, and we must be ready," Mr. Zhdanov told the party leaders, according to an official who attended the meeting.

AIDS, an incurable disease, cripples the immune system, leaving the victim susceptible to infections and cancers. It is caused by a virus that is spread through sexual intercourse or exchanges of blood, as in shared hypodermic needles.

Only a handful of AIDS cases have been diagnosed so far in the Soviet Union, the officials said. Western experts said the number

was probably in the hundreds, but still far below the level in the United States. AIDS has already struck at least 30,000 Americans, more than half of whom have died.

The officials declined to say whether Mikhail S. Gorbachev, the Soviet leader, had attended the briefing. The meeting has not been mentioned in the Soviet press.

The briefing first came to the attention of a Western reporter during a meeting with a Soviet official about other matters. Telephone interviews with the health authorities confirmed the official's account and provided additional details.

Mr. Zhdanov himself was unavailable for comment.

Although research on AIDS has increased in the Soviet Union, the government has generally depicted the disease as a Western problem, resulting from promiscuity.

Articles have also appeared in the Soviet press asserting that AIDS—which is known here by its Russian initials as SPID—was first developed by the U.S. Defense Department as part of a biological warfare program. The U.S. ambassador, Arthur A. Hartman, protested the reports last year, saying they were "as reprehensible as they are false."

The disparity between medical research about AIDS and the disparaging public commentary about the disease apparently reflects Soviet ambivalence about a health

problem so far primarily associated, in the United States and Europe, with homosexuals and drug addicts. Male homosexual acts are a crime in the Soviet Union, and homosexuality is rarely mentioned in the press, even in the current period of increased openness fostered by Mr. Gorbachev.

Mr. Zhdanov told party officials that the number of recorded AIDS cases in the Soviet Union so far could be "counted on one hand," according to the official who attended the briefing. Mr. Zhdanov made a similar comment in an interview published in the newspaper Sovetskaya Kultura in 1985.

He also reported that a number of foreign students in the Soviet Union who had been diagnosed as having AIDS had been sent home for treatment, despite the objections of Soviet doctors who wanted

to study the disease, the official said.

Mr. Zhdanov was not optimistic about limiting the spread of the disease, the official said. "After starting in Africa and moving west, it is now moving east," he told the party leaders, according to the official.

Health officials said several So-

viet medical research institutes were investigating the disease and trying to develop a vaccine.

Western business executives in Moscow have reported Soviet purchases of medical equipment that can be used in screening blood donations and for testing for infection with the AIDS virus. The authorities are also trying to provide health services with disposable syringes, now only in limited use.

On Friday, a Bundesbank official reiterated the West German view that the dollar's weakness is

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Study Says Condoms Help, but Are Not Foolproof

By Susan Okie
Washington Post Service

WASHINGTON — Condoms can help prevent the spread of AIDS in heterosexual couples but apparently do not provide total protection against the infection, according to a study published Friday.

The study of 45 adults with acquired immune deficiency syndrome and their spouses and families, published in Friday's issue of the Journal of the American Medical Association, also offers additional strong evidence that AIDS is not spread by less intimate kinds of contact, such as kissing.

The new findings on condoms are in line with other research, including laboratory studies showing that the AIDS virus, now known as human immunodeficiency virus or HIV, cannot pass through an intact condom, said Dr. Harold Jaffe, chief of epidemiology in the AIDS branch of the Centers for Disease Control.

But "it's not reasonable to expect" that condoms are "going to be perfect," he said.

He said some people use or store condoms improperly so that their protective ability is diminished. "For that reason, people should be careful about whom they're having sex with, but it's certainly going to add a measure of protection."

In the JAMA study, researchers at the University of Miami School of Medicine

monitored the health and habits of 45 adults with AIDS, and their spouses and other family members over a period of one to three years.

Ten couples in which one spouse had AIDS and the other was uninfected at the start of the study used condoms regularly. During the study only one of the 10 uninfected spouses converted to a positive HIV blood test, indicating infection with the virus. Since the study's publication, two additional spouses of AIDS patients have developed

positive blood tests despite regular condom use, according to one of the study's authors.

In contrast, 14 similar couples continued to have sexual relations without using condoms. Twelve of the 14 uninfected spouses converted to a positive HIV blood test during the course of the study.

"We can consistently say that the use of condoms decreases the risk of transmission, but it's not 100 percent," said Dr. Margaret A. Fischl, an associate professor of medicine at the Miami medical school and the study's principal author.

Overall, sexual transmission of HIV in the 45 couples was high, with more than half of the spouses of AIDS victims showing evidence of infection. The virus appeared to pass with equal ease from men to women and from women to men, Dr. Fischl said. For women, having oral sex apparently increased the risk of contracting the virus.

The study found no cases of new HIV infection among 90 children and 29 other household members of AIDS patients, despite the fact that they hugged and kissed

family members who had the disease and shared kitchens and bathrooms.

As of Feb. 2, the Centers for Disease Control had recorded 30,396 cases of AIDS in the United States, and 17,338 deaths. The majority have been in homosexual men and intravenous drug abusers. Dr. Jaffe said 4 percent of the cases have occurred from heterosexual spread of the virus.

The disease control agency also reported that the rate of premature mortality from AIDS jumped more than 80 percent from 1984 to 1985, and the disease now ranks as the 11th leading cause of early death in the United States.

Condom manufacturers have recently begun national advertising campaigns, including commercials on some television stations, highlighting the protective value of condoms against AIDS.

Dr. Fischl called the instructions provided with condoms "very inadequate" and said users should be taught how to put them on properly, so that they will not break or come off.

LATE NEWS

Rebels Release French Captives

PARIS (AFP) — Somali rebels released on Friday 10 French medical workers they took captive Jan. 24 in a raid on a refugee camp in northwestern Somalia, French officials said.

The officials said the 10 had been handed over to the Ethiopian authorities in the town of Dire Dawa and would be flown to France on Saturday from the Ethiopian capital, Addis Ababa. Three abducted were six women and four men working for Doctors Without Borders, a humanitarian organization.

The Somali National Movement, which opposes the government of President Mohamed Siad Barre, claimed responsibility for the kidnappings.

Soviet Frees Dissident

MOSCOW (WP) — Yuri Shikhanovich, a dissident mathematician who was imprisoned in 1983 for his role in publishing an underground journal, was released Friday, according to Andrei D. Sakharov, Mr. Sakharov, the dissident physicist and human rights activist, said he had made several appeals in the case.

INSIDE TODAY

GENERAL NEWS

■ Belgium's king balked at a cult for King Waldheim in a cultural festival. Page 5.

■ Mario M. Cuomo has sort of announced his intentions for the 1988 U.S. election. Page 3.

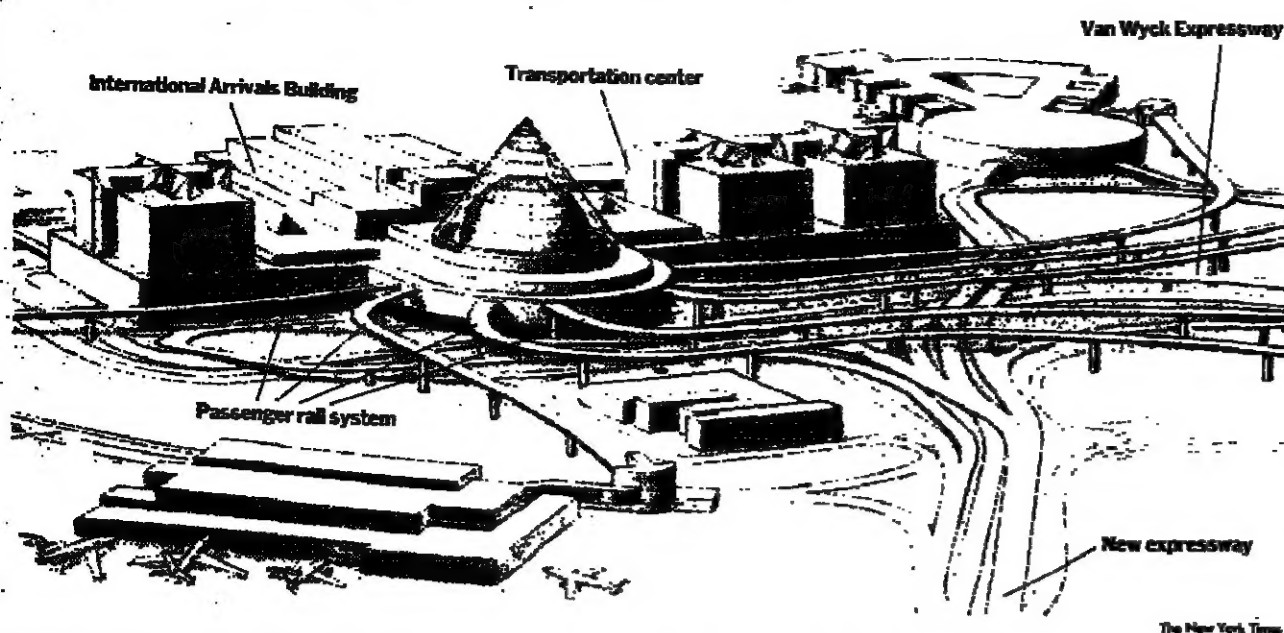
■ France's amnesty on illegally exported capital brought in 15.93 billion francs. Page 7.

IN MONDAY'S EYE

PERSONAL INVESTING
How investors are responding to tax law changes that eliminate tax shelters.

Redevelopment Plan for Kennedy Airport

Included in a proposal for a five-story, \$500 million transportation center are an air-traffic control tower, airline counters, baggage claim areas, shops, restaurants and 2,000 underground parking spaces. An automated rail system would connect the center to individual terminals. A new expressway would provide a second entrance.



The New York Times

U.S. Fears Reprisals for Drug Arrest

By Mary Thornton

WASHINGTON — U.S. law enforcement agents around the world have been put on alert for possible retaliation by the underground organization of an alleged cocaine trafficker who was captured this week in Colombia and extradited to the United States.

The suspect, Carlos Lehder Rivas, 37, faces numerous U.S. drug charges. He was flown to Tampa International Airport on Thursday, accompanied by agents of the U.S. Drug Enforcement Administration.

Mr. Lehder asked for court-appointed counsel at a hearing Thursday in Tampa. He said that he had no funds with him.

A U.S. magistrate ordered him held for a hearing on Monday in Jacksonville on an indictment of six years ago on drug and conspiracy charges.

The chief of the Drug Enforcement Administration, John C. Lawn, said Thursday that U.S. authorities have long considered Mr. Lehder and two other suspected partners in Colombia's "Medellin cartel" to be the top drug dealers in the world. The two, Jorge Ochoa and Pablo Escobar, are fugitives.

The cartel is believed to be responsible for smuggling more than 75 percent of the cocaine entering the United States.

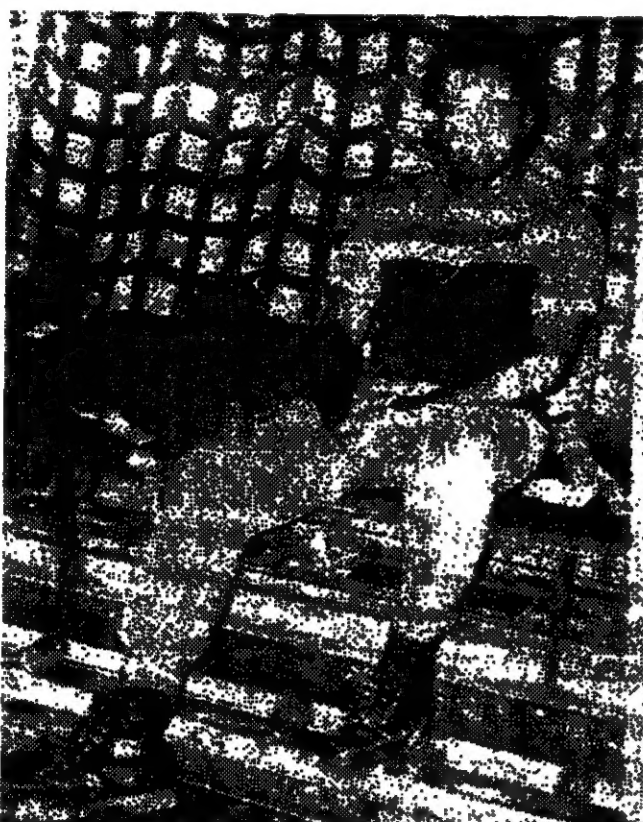
Mr. Lawn notified his agents in the United States and in 43 offices around the world to exercise "an advanced state of readiness" for themselves and their families. "Medellin is a cartel known for violence and based upon that history, we have taken that extra step of security," he said.

Susan Schmitzer, a Federal Bureau of Investigation spokeswoman, said the bureau also warned its agents to be "mindful of the possibility of violence" in connection with the Lehder case.

Federal law enforcement sources said Mr. Lehder was responsible for offering a \$350,000 reward in 1985 for the murder or capture of Mr. Lawn or his predecessor, Francis M. (Bud) Mullen Jr.

Mr. Lehder was arrested Wednesday, along with 14 of his bodyguards, by Colombian police and military forces after a gun battle at a remote ranch near Medellin. Colombian authorities approved his extradition as Mr. Lehder was aboard a military aircraft en route from Medellin to Bogotá, where a Drug Enforcement Agency aircraft was waiting for him.

Mr. Lehder was indicted in 1981, in Jacksonville, Florida, on multiple counts of importing cocaine into the United States. He also was named in an indictment returned in U.S. District Court in Miami on Aug. 26, 1986, charging him with 13 counts of drug smuggling and racketeering.



Carlos Lehder Rivas on a military plane after his arrest. The Colombian Defense Ministry released the photograph.

U.S. Panel Would End Local Vetoes on Nuclear Plants

By Ben A. Franklin

WASHINGTON — The staff of the Nuclear Regulatory Commission has drafted a proposal that would permit the agency to license nuclear plants for full operation over the objections of state or local authorities.

The proposed rule change, which has not yet been approved by the agency's staff director, would also have to be approved by the commission. It was disclosed Thursday on Capitol Hill.

The change would allow the commission to waive its requirement that state and local authorities participate in plans to evacuate people in a 10-mile (16-kilometer) zone around a nuclear power plant in the event of an emergency.

State and local opposition to the emergency plans at the Shoreham plant in New York and the Seabrook plant in southern New Hampshire have delayed the issuance of operating licenses by the commission.

A commission spokesman, Bob Newlin, said, "The idea is that we don't get entangled in the legal contortions of localities, but it is nothing final."

Mr. Newlin said action by Victor

Stello, the commission staff director, "is imminent and we expect his decision in the next few days."

The proposal reflected the increasing impatience of a majority of the commission with nuclear plant delays. Its chairman, Lando W. Zech Jr., is a retired admiral who assumed the post in July.

Representative Edward J. Markey, a Democrat of Massachusetts, said the proposal was unconstitutional as well as "outrageous."

"The draft rule raises very serious constitutional questions regarding potential infringement of powers reserved to the states under the 10th Amendment to the Constitution," Mr. Markey said. "The NRC appears to be on the verge of declaring open warfare against the states on this issue. If they proceed, they can certainly expect a battle."

Mr. Markey has reintroduced a bill this year that would give state

governors veto power over the licensing of nuclear power plants.

In a draft of a memorandum on the change, Mr. Stello and William C. Parter, the commission's general counsel, said they "saw no legal obstacles to the proposed rule but would defer to others on the policy questions involved. Mr. Stello noted that 'the proposal will be highly controversial.'"

But the memorandum also said that "he nevertheless endorses the proposal from a policy standpoint."

The proposal was first mentioned at an Interior Committee hearing of the House of Representatives on Thursday and later described by commission officials as merely "a draft rule change" not yet on the commission's agenda.

It was denounced as "outrageous" by Fabian Palomino, special counsel to Governor Mario M. Cuomo of New York. Mr. Palomino said the governor would oppose

it "in every possible forum, including before the public and the Congress and, if necessary, in the courts."

"I've never seen such an utter lack of concern for the safety and health of people around nuclear plants as is embodied in this proposal," he added.

The memorandum described the proposal as "a far less drastic approach" than the request by the Public Service Co. of New Hampshire, operators of the Seabrook plant, to shrink the circumference of the required evacuation zone from 10 miles to 1 mile. The commission has not yet ruled on whether it would entertain such a proposal.

According to Mr. Markey, the memorandum proposed that the commission could grant an operating license if the applicant, a nuclear utility such as the Long Island Lighting Co., the owner of Shore-

ham, "demonstrates to the commission's satisfaction" that several safety conditions have been met.

Among the conditions, Representative Markey said, was one requiring the applicant to indicate to the commission that copies of the utility's own evacuation plan had been provided to state and local authorities "which would have otherwise participated in its preparation or implementation and has assured them that it stands ready to cooperate should they change their position" that such a plan is inadequate.

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Cuomo and the '88 Presidential Race

N.Y. Governor Announces Intention to Announce Intention

By Jeffrey Schmalz

ALBANY, N.Y. — Governor Mario M. Cuomo of New York said that he met over the past seven days with key national political strategists and that he would decide within two weeks whether to take preliminary steps toward running for president.

Mr. Cuomo held out the possibility that he might not run. But his advisers said privately Thursday that they expected him to take the preliminary steps, probably in the form of setting up an informal group to study the pros and cons of his running for president and then to recommend how he might go about a national campaign.

The governor said he spent recent days reviewing memorandums from about 40 strategists, elected officials and other political figures from around the country who, mostly unsolicited, had sent him advice.

He declined to give figures, but indicated that most of the memorandums had recommended that he run. A few, he said, advised that he wait until 1992, with one suggesting that he was better suited for the U.S. Supreme Court.

Mr. Cuomo's comments came in 80 minutes of conversation with reporters aboard his plane. In a reversal from recent months, Mr. Cuomo, who will begin a series of national trips next week, seemed eager to talk about the presidency.



Mario M. Cuomo

at some points volunteering information.

The governor said his visit on Wednesday to Washington, where he was greeted warmly by Jim Wright of Texas, the speaker of the

House of Representatives, had drawn such interest in national political circles that he thought the time was right to make his position clear.

"The decision to be made is: Do you stop all consideration of it or do you say, 'I'm going to take a look at it?'" Mr. Cuomo said of a presidential race, adding at another point, "I want to get it done."

The governor said he met Jan. 30 in his New York office with Gerald Raftery, the former political media adviser who helped engineer the presidential victory of Jimmy Carter. He said he also held separate meetings Thursday with Kirk O'Donnell, a top aide to Thomas P. O'Neill Jr., the former House speaker, and with Robert Shrum, a former speech writer for Senator Edward M. Kennedy and for George S. McGovern, the 1972 Democratic presidential candidate.

"These are people regularly described as the best, brightest people in the Democratic Party at the operational level," said Mr. Cuomo, who added that the meetings had been at his request. His comments marked the first time he has acknowledged seeking the advice of national political strategists on a possible presidential campaign.

The governor did not disclose the specifics of the meetings, other than to say that the advantages and disadvantages he would encounter as a candidate were discussed.

He said that the meetings did not amount to an endorsement of him by the strategists and that he had not offered any of them campaign positions.

In discussing the considerations that were running through his mind, the governor said he first needed to decide whether he had something special to offer the country.

The governor said he was concerned about the harsh scrutiny his family would come under if he ran for president.

Mr. Cuomo said he wanted to review how he could continue to serve as governor and run for president at the same time. If he ran, he said, it would be "a short race" because he could not campaign until the end of the state legislative session, in early July. He said his chronic back pain was "another thing" that had to be considered.

Asked if one consideration was whether he thought he could win as a presidential candidate, Mr. Cuomo said, "You don't want it to be a fool's errand." But he added that "more important than win ability is what do you do when you get there."

At the core of the issue, according to many CBS executives, is that despite Mr. Tisch's statements of support for CBS News, the news operation does not look like a reasonable business enterprise to the new chief executive.

The CBS News budget has grown rapidly in recent years, from \$89 million in 1978 to nearly \$300 million this year, and the division regularly loses money, according to sources at the network.

The largest chunk of that money, nearly \$100 million, is spent on the "CBS Evening News," and much of the rest of the cost of CBS News—maintaining bureaus around the world, for example—is directly related to the program.

The pressure to reduce costs rests on Mr. Stringer, who was appointed president of CBS News last fall.

One idea is for CBS News to find new commercial outlets for its product, thereby amortizing the cost of CBS News.

Another possibility is to redesign the "CBS Evening News" drastically. Rather than having correspondents and producers from the 26 CBS bureaus struggle for space for their separate reports on a daily newscast, CBS might choose a sort of print newsmagazine approach,

New CBS Chief Reported to Seek Cut Of \$50 Million From News Budget

By Peter J. Boyer

NEW YORK — The chief executive of CBS Inc. has asked CBS News to cut its budget up to \$50 million, or 17 percent, prompting a drastic reassessment of worldwide CBS News operations.

The request for streamlining came from Lawrence A. Tisch, chief executive officer and the largest shareholder of CBS Inc. It may bring a radical restructuring of CBS News, according to sources at the network.

A CBS spokesman said Thursday that Mr. Tisch denied the report of the cutback. The Associated Press reported from New York. The spokesman, George Schweitzer, said CBS was continuing to examine the budgets of every division because of a general shrinking of revenues, but no figures for cutbacks had been established.

[Mr. Schweitzer quoted Mr. Tisch as saying the \$50 million figure was "ridiculous."]

The proposed reduction in the CBS News budget could bring drastic cutbacks at the news division that would make the severe cutbacks of last year seem insignificant, an official said. More than

100 CBS News employees were dismissed in that cutback.

According to sources at the network, the proposed streamlining of CBS News may not take the form of traditional cutbacks but a reworking of the CBS news-gathering process, particularly in the news bureaus abroad.

Howard Stringer, president of CBS News, declined to discuss specific budget goals Thursday.

Mr. Stringer said Mr. Tisch, who became chief executive officer of CBS in a boardroom fight last fall, had been discussing his concerns about the cost of CBS News for some time.

"He's said to me: 'What should a news division cost? Do we need all these people?'" Mr. Stringer said. "This is part of a self-examination. This is part of slimming down to a smaller, more efficient news division."

Mr. Tisch has repeatedly said that CBS News would not be diminished in any cost-cutting drive.

"All I am interested in is doing the right thing by the news division," he said Thursday. "But if a better, more efficient job can be done in delivering news to the American people without sacrifice to quality, that's wonderful."

At the core of the issue, according to many CBS executives, is that despite Mr. Tisch's statements of support for CBS News, the news operation does not look like a reasonable business enterprise to the new chief executive.

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AMERICAN TOPICS

Short Takes

A growing number of U.S. nurses are going to law school. The American Association of Nurse Attorneys, established five years ago, has 350 members. It estimates that an additional 350 nurses are either lawyers or in law school. Nurse attorneys typically handle medical malpractice, product liability and nurse licensing disputes. Why did they branch out into law? Some said that as nurses they felt powerless in the face of doctors and hospital administrations. Some cited better pay. One nurse who found herself testifying frequently in drug addiction and child abuse cases said, "I saw a real void in the nursing profession in terms of our knowledge of the law."

Overpacked in a 30-minute zone in Tacoma, Washington, Terri Westmark came rushing up to her car to find a police officer writing out a parking ticket. The officer, Frank Gavalidon, said Miss Westmark had several parking violations, so he asked her out for a cup of coffee to discuss the problem. "Three days after we met we decided to get married," Miss Westmark said. They did, late last month. But Miss Westmark said she still got the ticket.

The metric system is slowly gaining ground in the United States. Although public apathy caused the federal government to stop promoting the metric system in the late 1970s, businesses with overseas markets stuck to it. The American automobile industry measures car components in metric units, although wheelbase and weight are still expressed in inches and pounds for the U.S. market. Most food products are now labeled in both traditional and metric designations. Most soft drinks are sold in half-liter, liter and two-liter containers. "Deep down, there's plenty of metric going on," says a Department of Commerce spokesman. "It's just that it's not visible, it's not being forced on people."

Educational television programs like "Square One Television" and "Sesame Street," says Jonathan Yardley, book critic for The Washington Post, "offer the silent promise that we can educate our children without making them work. No more classroom, no more books, no more teacher's dirty looks: Just lie back in front of the tube and let it all wash in. That is 'education' as only an empty and frivolous society could imagine it to be."

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Bentsen Halts His \$10,000 Breakfast Club

The Associated Press

WASHINGTON — Senator Lloyd Bentsen of Texas, conceding that he had made a mistake, announced Friday that he would disband the "Chairman's Council" and the money returned to the estimated 40 lobbyists and political action committees that joined.

The \$10,000 contributions, which are the maximum allowed from political action committees, were to go to Mr. Bentsen's 1988 re-election campaign fund.

many mistakes but when I do it's a doozy, and in forming that breakfast club I really blew it."

The "Chairman's Council" will be disbanded, the statement said, and the money returned to the estimated 40 lobbyists and political action committees that joined.

The \$10,000 contributions, which are the maximum allowed from political action committees, were to go to Mr. Bentsen's 1988 re-election campaign fund.

The breakfast group held its first meeting a week ago. It was formed after Mr. Bentsen sent out a letter Jan. 15 asking for "advice, assistance and early financial support" crucial to a successful campaign.

The letter went to 200 lobbyists and chairmen of political action committees.

Mr. Bentsen's position as Finance Committee chairman gives him substantial influence in writing legislation on trade.

SEEMILES AHEAD

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Confused Indifference

The Antiballistic Missile Treaty of 1972 is in peril. Almost alone among arms control agreements, it has helped prevent nuclear war, sharply curtailing the development of a dangerous mix of defensive and offensive forces. Now President Reagan appears ready to launch a double-barreled attack on the treaty. He could do no greater harm to his own stated goals for arms control or to American national security.

Defense Secretary Casper Weinberger urges early deployment of a partial space-based defense system. The recommendation flatly contradicts the pledge Mr. Reagan made to Mikhail Gorbachev in Reykjavik to delay deployment for 10 years. There is a worse problem: the pure waste of rushing ahead with questionable "star wars" programs while overall Pentagon spending is being cut, forcing other military priorities to be sacrificed.

Worse still is the undefined purpose of the mini-star wars system Mr. Weinberger urges. Would it be to defend against an accidental launch? If so, much cheaper alternatives can be found. Is it to defend American land-based missiles? Again, it would be cheaper and less threatening to deploy mobile missiles that do not require such protection. Would the system defend cities, rather than missiles? That would obviously lead to what strategists call war planning: a first strike against the other side's nuclear forces and a defense to blunt his weakened retaliatory blow.

To win early deployment Mr. Weinberger must persuade Mr. Reagan to authorize more extensive testing. He wants the president to insist on a broad interpretation of the pact's provisions for testing.

The treaty declares that the parties will not "develop, test or deploy ABM systems or components which are sea-based, air-based, space-based or mobile land-based." But Mr. Weinberger and others contend that Agreed Statement D to the pact exempts "ABM systems based on other physical principles," such as lasers or particle beams. They argue that the treaty applies only to conventional technology, like a missile fired at another missile.

This contradicts the very name and purpose of the treaty. It contradicts 15 years of precedent by Moscow and Washington and testimony given by American negotiators to Congress. It ignores the very language of Agreed Statement D, which begins: "In order to ensure fulfillment of the obligation not to deploy ABM systems..." To insist on a looser reading now would destroy any chance for a new arms treaty.

Secretary of State George Shultz is now said to favor the broader interpretation. That would be unfortunate. But he also is said to insist that the decision on early deployment be taken only in concert with Congress and the allies. That would be encouraging. The responses from these quarters are already pouring in. Almost all carry the same urgent message: Don't do it.

Perhaps the double attack on the treaty is just a stratagem to put new negotiating pressure on Moscow, as some administration officials contend. If so, let them demonstrate their sincerity by also making some constructive new proposals. Until then, the administration stands exposed as indifferent in its pursuit of arms control and confused in its pursuit of strength.

—THE NEW YORK TIMES.

AIDS in Perspective

The U.S. surgeon-general recently compared AIDS to the Black Death, a plague that killed a third of Europe's population in the 14th century.

• The Los Angeles Times warns, "It will not be long before the pattern of the disease has followed among gays repeats itself among straights."

• The columnist Ellen Goodman predicts, "As — not if but as — AIDS spreads through the population, but will become a much more common answer to sex."

These dramatic claims are well meant. They may one day be genuinely alarming. This week's proposal by the federal Centers for Disease Control to test more widely for AIDS could help assess the pattern of the epidemic more exactly. But in the meantime, fears that it is spreading into the heterosexual population are just that, fears.

There is no clear evidence that AIDS in the United States has yet spread beyond the known risk groups, notably homosexuals and drug addicts. There is some reason to suppose it will stay confined to these groups for the foreseeable future.

Why is the truth so far from view? Perhaps because the chief interpreters of the data want to convey their own messages. Public health experts see a unique chance to reduce all sexually transmitted diseases.

Medical researchers demand \$1 billion in new federal spending against AIDS, hoping to refurbish their laboratories.

Government epidemiologists, seeking to protect homosexuals and drug addicts, fear the Reagan administration may acquire the notion that these are the only people at risk.

Moralists see a heaven-sent chance to preach fire, brimstone and restricted sex. Homosexuals have no desire to carry the stigma of AIDS alone.

With so many experts dramatizing the epidemic, it is little wonder that those who rely on their advice are coming to believe that AIDS is as rampant as influenza.

True, there are reasons to fear that AIDS may one day break out of current risk groups into the general population. It can be transmitted heterosexually. In Central Africa, AIDS is already widespread, affect-

ing men and women equally. But Central Africa may suffer from special factors, like widespread medical use of unclean needles.

In New York, homosexuals and intravenous drug addicts are still the main groups at risk for AIDS. Some 91 percent of AIDS cases come from those two groups. A constant 2 percent to 3 percent of cases are "heterosexual contact" — the partners of addicts and bisexual men. If AIDS were spreading further, there would be a sharp rise in the "no known risk" category. But this continues to remain below 1 percent. The city believes most of its 65 such cases are members of risk groups but deny it.

Five years or more pass between contracting the virus and coming down with AIDS. So what counts in forecasting is not overt cases but infection with the virus. Of New York blood donors who tested positive for AIDS virus in 1985, 90 percent had previous homosexual or drug experience, or a partner who did. The same is true of virus-positive military recruits who sought counseling in New York. Neither blood donors nor recruits are wholly representative, but these figures do not prove that AIDS is spreading into the general population. If anything, they indicate that the risk groups will be little changed in five years.

Since AIDS might spread, people should learn how to protect themselves by using condoms and avoiding anal sex. But it would be folly to distract attention from the most likely source of spread, intravenous drug abusers. Homosexuals in major cities have admirably set up self-help groups and informed their communities; homosexuals elsewhere may still need education about AIDS. Meanwhile, the Reagan administration remains consumed by irrelevant and prudent debate over whether to preach abstinence to schoolchildren.

Homosexuals and drug addicts have borne the brunt of a terrible disease that merits, and now generally receives, the full attention of medical research. Hysteria about AIDS may squeeze out a few extra research dollars, but at a terrible cost in false fears. AIDS is grim enough as it is.

—THE NEW YORK TIMES.

Other Comment

Should the West Help?

Should the West, as [Hans-Dietrich Genscher, the West German foreign minister, said last Sunday, help Mikhail Gorbachev reform the Soviet system? To do so, should it show greater understanding of the Kremlin's proposals for arms control? Greater flexibility in its approach to settling regional crises? End the embargo of high-tech equipment with the full realization that it would strengthen the Soviet Union? The answer to all these questions depends on one's analysis of the recent events in the Soviet Union. Mr. Gorbachev is already encountering considerable obstacles. At the last plenum of the Central Committee he talked a lot about reform, and spoke of the shortcomings of Soviet society with such severity that a few years ago he would have been excommunicated. But little came out of the meeting.

—Le Monde (Paris).

It's Not a Sinking Ship

Patrick Buchanan is the latest in a series of White House advisers to announce his departure into private life. Those willing to assume the worst about the Reagan admin-

istration matter about sinking ships, and interpret the resignations as evidence the White House team is crumbling. In reality, the dissolution of the president's staff is a normal phenomenon of American politics in the year or two before an election.

—The Daily Telegraph (London).

A Splendid Cup for America

America's Cup is back. Well done, Dennis Conner. [He] and his Stars & Stripes crew breezed through the final three rounds of the America's Cup races with a 12-1 record, sweeping Australian defender Kookaburra III in the final. K-III skipper Iain Murray and his countrymen should feel no disgrace. [They] put on a grand show, and the Aussies were splendid hosts.

Never has such an obscure sport become so popular overnight with so many Americans. Consider that the finals boiled down to Aussies and Yanks — two T-shirt, beer-drinking societies battling for a prize that once belonged only to aristocrats with names like Vanderbilt and Lipton.

The cup now will come to the San Diego Yacht Club, Dennis Conner's home base — at least until the next races in 1990.

—The Los Angeles Times.

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A New Revolution: Helping Aquino Bring Land Reform

By Peter Schmeisser

NEW HAVEN, Connecticut —

On Sept. 22, 1983, thousands of Filipinos marched to the gates of Malacañang Palace, lashing out at President Ferdinand Marcos for the assassination of Benigno Aquino in August. That rally, at which 11 were shot to death, and others like it signaled the rise of a wave of outrage that swept Mr. Marcos from the islands one year ago this month. The first 12 months of government of Corason Aquino brought dramatic change to the Philippines: a newly ratified constitution, a temporary cease-fire with both Communist and Muslim insurgencies and the removal of some Marcos cronies from local and national government.

But there have been failures as well. In January, 18 demonstrators were shot and killed by military police on the same patch of road leading to the presidential offices in Malacañang. Five days later, in a reaction to leftist activism, Marcos supporters clashed with government troops while attempting to take over an air base and radio station.

While the nationwide plebiscite Monday seemed to reaffirm Mrs. Aquino's broad-based support, her government enters its second year still struggling to revive the crippled economy Mr. Marcos left behind. The first and hardest step toward recovery is land reform. Without it, radical unrest will continue. Such unrest, in turn, will make it hard to attract the foreign investors who are essential to building up the economy.

There is an unsettling continuity between the urgent days of protest three years ago and the latest unrest. The intervening years of protest and progress in Manila have left millions of rural Filipinos untouched. Much as their counterparts fought for political revolution, rural Filipinos hope to ignite an economic revolution.

Mrs. Aquino is on her side. Since the earliest days of her presidential campaign, she has sympathized with the protesters' call for land reform. Yet her hands are tied. Troubled by a \$27.8 billion debt and the exodus of

foreign capital that accompanied last year's election, the government is unable to finance the considerable expenses of land reform.

Even with sufficient capital, land reform will be an uphill struggle against centuries of agrarian tradition. It becomes clear that any revolution in the rural economy will require not only courageous leadership but extensive planning and outside assistance from the country's traditional ally, the United States.

One island that had tried to carry forward a "second revolution" — an economic revolution — is Negros. There are few vivid illustrations of the desperation of the rural poor and the complexities of reform. About 350 miles (560 kilometers) south of Manila, Negros is at the center of the falling Philippine sugar industry. A three-year slump in world sugar prices has caused many plantations and sugar mills on Negros to lay off workers or to shut down entirely. As a result, unemployment now

exceeds 80 percent in some districts. Thousands of islanders have moved from plantations into coastal shantytowns, where there is little sanitation and where four out of five school-aged children suffer from malnutrition. American relief agencies say they are feeding 90,000 of the island's children a single bowl of bean-and-rice gruel each day.

The despair caused by such poverty carries stiff political costs. It has driven hundreds of unemployed sugar laborers to quit the coastal shanties and join the Communist New People's Army, which controls the land in Negros's mountainous center.

Nearly all of the arable land on Negros has been held by wealthy landowners for generations, living proof of the prosperity the traditional plantation can bring. These landowners actively oppose government proposals for land sharing and crop diversification. Yet a handful of progressive landowners on Negros began to organize modest land re-

form programs several years ago. Eighteen plantations on Negros's western side founded cooperatives with their workers, ceding a portion of land for laborers to cultivate and feed their families. But such reforms are both exceptional and unpopular. They are accused by neighbors and family of "selling out to radicals" and "betraying the past."

Land reform on Negros has proved to be not only socially difficult but expensive. The Aquino government, if it wishes to avert violent opposition to new agricultural programs, will have to reimburse landowners for estates converted into cooperatives.

Workers in such cooperatives would have to be trained to grow new varieties of crops. These changes, which could improve the lives of millions of small farmers throughout the country, require the very thing Mrs. Aquino lacks: money.

What can the United States do? In the coming debate over the federal budget, U.S. foreign aid undoubtedly will come under heavy fire from Reagan administration officials and members of Congress struggling to keep within budgetary limitations. Both political parties must decide whether the Philippines is to be a victim of that struggle.

Yet Congress should also recognize that the next five years are likely to be critical to the survival of a moderate government in Manila.

With that in mind, 14 Western creditor nations announced last month that they would reschedule \$870 million of the Philippines' debt and grant a five-year grace period before the first payments are due. During that period, Washington should step up aid.

By holding back help from the Philippines today, America risks losing Subic Bay and Clark Field, both important strategic bases. It also risks losing any hopes of future alliances with a new generation of Filipinos who remember the United States not as the liberator of the Pacific but as the power that bankrupted Mr. Marcos for nearly 20 years. Mrs. Aquino will have to continue to mount radical opposition if she is to see the revolution through its second year. The United States cannot abandon her now.

The writer, former managing editor of The Yale Daily News, worked with relief agencies in the Philippines last summer. He contributed this comment to The New York Times.

The Saudis Keep an Eye To the Sky

By Hobart Rowen

RIYADH — Perhaps no recent U.S.-Saudi question has generated more emotion than the sale of five AWACS radar control planes to this Middle Eastern kingdom.

But as one of these electronic boxcars flies protectively over the capital here in the cool morning sun, its distinctive configuration easily identifying it, one senses the "security blanket" it evokes for the people.

The Saudis are uneasy on many counts. The bloom is off the economy because of the collapse in oil prices. OPEC's power is waning, and the Saudi ability to call the time within OPEC is more limited than in Sheikh Ahmed Zaki Yamani's heyday. And the decline in the dollar threatens the value of Saudi Arabia's large investments in the United States.

But nothing worries Saudi leaders more than the growing power of Iran and the threat that the fundamentalist Shites there may one day move to overthrow the monarchy here.

The demise of the shah of Iran stands as a dramatic lesson to the Saudis. The sense of security they derive from the AWACS is palpable: whether the one seen overhead this week was a U.S. Air Force AWACS, or one of the Saudis' own.

There is a sizable Shiite minority in eastern Saudi Arabia, and the government of King Fahd is attempting to care for the special needs of that region, a major oil-producing area. Fahd has visited the area, recently dedicated a hospital there, and has taken other measures to make life more comfortable for the Shites.

Although the Saudis said nothing publicly to offend their American friends, the arms deal that resulted in the shipment of arms to Iran, a potential enemy, came as a shock.

Thus, they welcomed assurances this week by the security Secretary, James Baker, here on economic and development business, that the Iran affair was an aberration of U.S. policy, not to happen again, and that there would be "strict neutrality" in the Iran-Iraq war.

But some skeptics believe the Saudis are playing both sides. They cite evidence that some Saudi oil products, probably kerosene, are being imported by Iran, and note the willingness of King Fahd to go along with Iran's demand to cut OPEC production so as to raise prices.

According to an American oilman, King Fahd decided to give Iran an olive branch to keep its word on OPEC quotas and prices. He appointed a new oil minister, Hashim Nazer, who agreed with the Iranian proposal to trim production by 7 percent. For the moment, with the help of an unusually cold winter in Europe, the strategy appears to have worked. Oil prices now are around \$18 a barrel, a level that has eased, but not eradicated, the economic pinch in Saudi Arabia.

Obviously, the Reagan administration let it be known that Secretary Baker believes that "stability" in oil prices is now the most desirable course. That seems to be a covert way of endorsing the Saudi effort to keep prices from sliding. The big unknown is whether prices can stay at the \$18-\$19 level once the extraordinary winter demand falls.

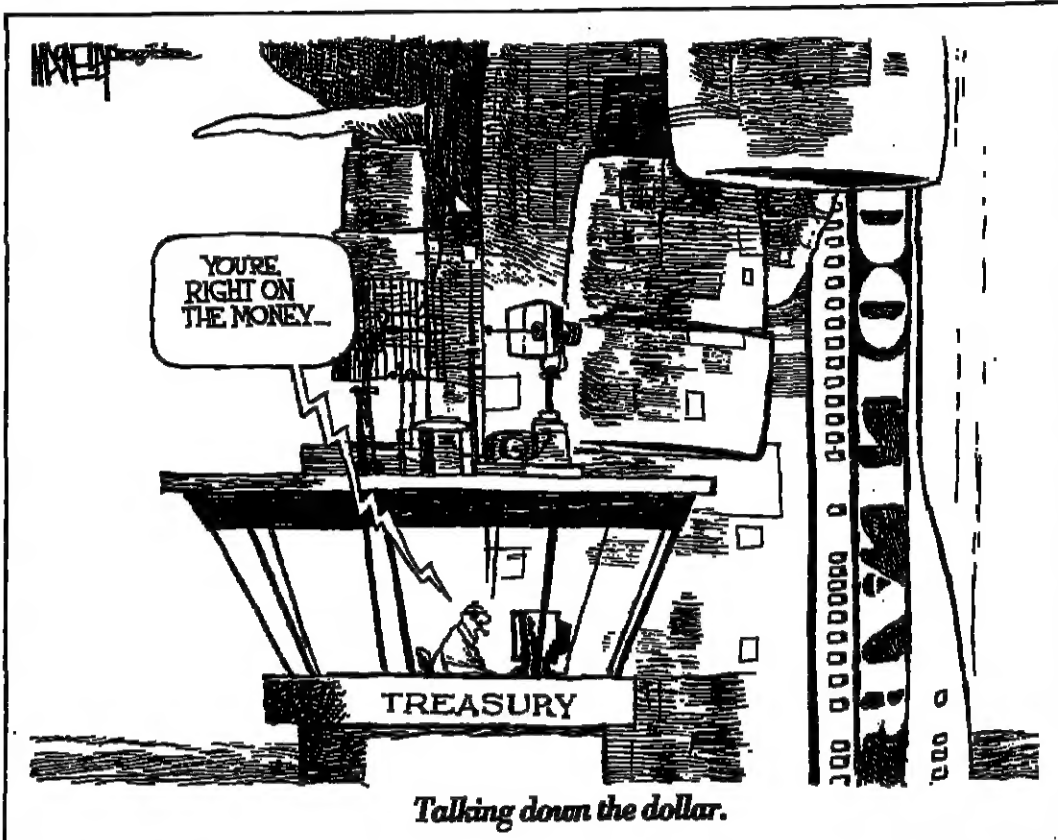
A perennial question in the Middle East is whether each OPEC country will stick to its quota. The Saudis' friends, the Iraqis, are six months away from completing two new oil pipelines, which could add 500,000 barrels a day to world supplies.

When the Iran-Iraq war ends or the fighting stops, the potential Middle East oil supply will again rise. Nobody here looks to outside suppliers for much help in controlling production, despite the publicity given to Mr. Nazer's trip to Moscow. It produced a Soviet promise to join in the 7 percent production cut.

"Because of their own cold winter and other internal problems, the Russians were faced with that kind of temporary oil cut anyway," said a knowledgeable source here.

It is, from any angle, a time of political and economic stress for the Saudis. They would like to see greater U.S. investment, and the dollar regain strength. They would like to see oil prices rise to \$20 or higher. None of these things is likely to happen soon. But as symbolized by the AWACS planes passing over Riyadh, the military-strategic accord between Washington and Riyadh seems solid, despite the flurry over the Iranian arms sale.

The Washington Post.



A Deft Assault by Gorbachev on a Risk-Free Society

By Thomas H. Naylor

DURHAM, North Carolina — If the new chief executive officer of a major U.S. corporation wants to introduce fundamental policy changes, he must come to grips with the company's culture.

This is precisely the situation in which Mikhail Gorbachev finds himself as he attempts to de-Stalinize the Soviet Union and open the closed society. He has embarked on a well-designed strategy that involves a systematic assault on the centrally planned Soviet economy, the self-serving Communist Party, the inflexible government bureaucracy and the police state mentality.

If Mr. Gorbachev is to succeed, he must confront the culture of the largest risk-free society in the world — a society characterized by full employment, inexpensive housing, free education and medical care, low-cost transportation, the absence of bankruptcy and cradle-to-grave socialism. But that is exactly what he is doing, and he is doing it very effectively. The alcohol reform, the clampdown on corruption, the increased openness, the release of dissidents and the call for secret balloting and a choice of candidates in party elections are all examples of significant changes taking place in the Soviet culture under Mr. Gorbachev.

Cynics say that the Soviets have been talking about "changing the economic mechanism" for years. But this overlooks the fact that 40-year-old Soviet managers are a new breed. They were children when Stalin died, they did not experience the oppressive political and economic conditions of the 1930s and 1940s and were spared some of the paranoia of those who lived through World War II.

Soviet managers have studied the innovations of

businesses like IBM, Shell Oil, Dow Chemical and Burroughs Wellcome, and have concluded that such techniques are well suited to large Soviet enterprises as they evolve from highly centralized functional organizations to less centralized multi-product, multinational organizations.

Soviet managers today are nonideological, pragmatic technocrats. Those who have sampled Western-style consumerism, including aerobics, videocassette recorders, designer clothes and fancy automobiles, seem to like it. These values are necessary to activate the incentives on which Mr. Gorbachev's economic reforms are based.

When Raisa Gorbacheva visited the Paris fashion houses of Pierre Cardin and Yves Saint Laurent in 1985, Americans were told this was communist propaganda aimed at the United States. It was propaganda, but the target was the Soviet Union. Six months later Mr. Cardin announced a new line of clothing for the Soviets to be manufactured in Soviet plants and sold in Moscow.

To increase productivity, Mikhail Gorbachev has offered financial incentives to motivate managers and employees. Previously such incentives went with only limited success, since there were no high-quality consumer goods available for which the Soviets could spend their extra rubles. Designer clothes and other consumer goods imported from the West are helping energize the reforms.

There is an indirect benefit from Western imports. They help break the stranglehold that some

Soviet enterprises have over certain industries. More imports mean more competition in the Soviet domestic market. Through this strategy, combined with decentralized planning, flexible prices and wages and the use of production incentives, Mr. Gorbachev is injecting vitality and flexibility into moribund enterprises.

To achieve his objective of integrating the Soviet economy into the global economy, Mr. Gorbachev has centralized Soviet foreign-trade policy while dramatically decentralizing foreign trade itself. Twenty-one Soviet ministries and 70 major enterprises now have the right to trade directly with the West. It is possible for foreign companies to own up to 49 percent of the equity in Soviet joint-venture companies.

The power of the marketplace is one of Mr. Gorbachev's most important instruments of change. Contrary to the view of some American Sovietologists, Mr. Gorbachev is much more interested in exporting Soviet-made goods and services than he is in exporting communism.

The biggest obstacle to his reforms is not ideology, but the inexperience of Soviet managers in market-oriented planning and management, including marketing strategies, international finance and organizational development. Marxist-Leninist ideology is more important to some American politicians than to the new Soviet managers.

The writer, a professor of economics and business administration at Duke University and the author of the forthcoming "The Gorbachev Strategy: Opening the Closed Society," wrote this for the Los Angeles Times.

Deng's Backpedaling Catches Hong Kong Off-Balance

By Lee Yee

HONG KONG — A month ago, no one could have foreseen the dramatic turn that events have taken in the People's Republic of China.

After students in some Chinese cities had taken to the streets, calling for democracy and reform, many overseas observers rejoiced at the awakening of China's younger generation to democratic values, human rights and personal dignity.

If anything, China's political reforms, its drive for cultural and ideological openness, seemed sure to accelerate. Many people in Hong Kong once suspected that the reformists might be behind the demonstrations. Precisely the opposite has happened. The student protests not only failed to move China further toward

political evolution but dismissed. Over the past two years, China has consistently stood with Hong Kong's most committed conservatives in opposing the development of a democratic, representative government here. This trend is likely to strengthen.

Mr. Hu's fall from power presages a period in which decision making in China will again be in the hands of an older generation, one less prone to change or reform. With the gradual passing of this generation and the inevitable struggles over succession, it is unlikely that Chinese politics will escape a new period of instability. Mr. Hu's resignation was a shock for Hong Kong, but there is probably much more in store.

It was once widely expected here that China's economic reforms would lead naturally to political democratization and a greater acceptance of social diversity. Now it is clear that absolute power and democracy cannot mix. Beijing cannot tolerate free public expression, we now understand, especially if this involves protests against those in power.

Beijing is unlikely to announce a change anytime soon in Deng Xiaoping's "one country, two systems" policy, which was formulated to assure Hong Kong's political and economic autonomy for 50 years after 1997. But it is now doubtful that a truly free society would be acceptable to Beijing in the long term.

The willingness to believe that China would accept a capitalist Hong Kong, in short, has been based on the liberation of thought and other liberalizing developments on the mainland in recent years. But with Beijing's new insistence on party supremacy and other principles, it seems certain that capitalism here will sooner or later be considered harmful to China's socialist ideology.

The sudden removal of Hu Yaobang as head of the Chinese Communist Party has compounded local concerns. It suggests that in China's autocratic power structure, anything can still happen at any time. There is no set procedure for the transfer of power; policy changes can take place without warning or preparation.

Nor should the impact of recent events on Hong Kong's immediate

future be dismissed. The writer is editor-in-chief of The Nineties, a political monthly published in Hong Kong. He contributed this to the International Herald Tribune.



IN OUR PAGES, 75 AND 50 YEARS AGO

1912: An Accord in China

PEKING — Upon the suggestion of Dr. Sun-Yat-Sen, a cessation of hostilities has been agreed to by both sides. The moneyless Imperial troops are to withdraw from the front as soon as terms for the treatment of the Royal family have been settled and the abdication edict issued.

NANKING — The Assembly, after discussing the conditions of the Imperial abdication, adopted the terms. This means the extinction of the present nobility. A tendency was exhibited to modify the views which originally called for the immediate removal of the Emperor. One delegate refused to permit the adoption of the Emperor of Ts-Ching, deleting the word "Ta," which means great. The allowance of four million taels to the Emperor and the privileges recognized for the Manchus were passed.

1937: FDR Under Fire

WASHINGTON — While the nation's press, shocked by President Franklin D. Roosevelt's proposals for renovation of the Federal judiciary, was accusing him of starting a revolution, political leaders went into huddles [on Feb. 6], and the justices of the Supreme Court, whose jobs have suddenly become precarious, locked themselves up in their marble temple for a council of war. The Boston Post commented: "The greatest constitutional crisis since the Civil War is at hand." The New York Herald Tribune: "No President ever before made the least gesture toward power." The Cleveland Plain Dealer: "Down the road indicated by the President... lies dictatorship." The New York Sun: "It is nothing but an attempt to make over the Supreme Court to the President's own liking."

2 Accidents Said to Mar Soviet Space Program

The Associated Press

WASHINGTON — The Soviet Union, which launched a manned space mission early Friday, had two serious setbacks late last month, an authoritative aviation magazine reports.

Aviation Week and Space Technology said an SL-12 Proton booster, the most powerful type in the Soviet space program, failed during the launch of a communications satellite mission Jan. 30.

The magazine called the failure "the largest space vehicle accident since loss of the shuttle Challenger and a U.S. Air Force Titan during launch in 1986."

The other incident, the magazine said, involved the deliberate explosion of the Cosmos-1813 military reconnaissance satellite on Jan. 29 "to prevent the malfunctioning vehicle from falling into U.S. hands."

The Soviet Union has sought to market the Proton booster as an international launch vehicle. The 770-ton rocket is comparable in size to the Titan-3, the largest U.S. rocket except for the space shuttle booster. The Proton can place a two-ton satellite into a 23,300-mile-high (36,150-kilometer-high) orbit.

Aviation Week attributed its information to Geoffrey E. Perry, who heads the Kettering space observer group in Britain, as well as U.S. intelligence sources.

The two accidents might explain a cryptic reference by Professor Konstantin Feoktistov, who was interviewed on Soviet television about the manned launch Friday.

Mr. Feoktistov started to make an apparent reference to a Soviet space accident, but the interviewer cut him off.

Cosmonauts in Orbit

Two cosmonauts spent their first day in orbit Friday as signals were beamed from Earth to the Mir space station to get it ready to receive them. The Associated Press reported from Moscow, quoting Radio Moscow.

Docking between Mir and the Soyuz TM-2 craft that carried Yuri Romanenko and Alexander Laveikin into orbit early Friday was scheduled for Saturday night through early Sunday, Radio Moscow said.

There has been no official word on how long the latest mission is to last, but Radio Moscow referred to it Friday as "an orbital mission of many months."

Mr. Romanenko, the mission commander, and Mr. Laveikin, the flight engineer, will spend their first few days aboard Mir, unloading equipment from the unmanned Progress-27 craft that carried oxygen, food, fuel and supplies to the station last month, Radio Moscow said.

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Reagan Celebrates His 76th Birthday

President Ronald Reagan, with the help of his wife, Nancy, blew out the candles on his birthday cake in Washington on Friday as the White House staff put on a surprise party. The U.S. Marine Corps Band and the staff surprised the president as he arrived at the old Executive Office Building, and the big band broke into "Seventy-Six Trombones." "Really, you have made my day," Mr. Reagan said.

U.S. Backs Off on Plan To Arm Space Station

By Philip M. Boffey
New York Times Service

WASHINGTON — The Reagan administration, reacting to concerns of potential European and Japanese partners, will rule out deploying major weapons systems on a proposed space station, according to government officials.

Plans for the station, which would allow some Pentagon research to go forward, were disclosed Thursday by James C. Fletcher, administrator of the National Aeronautics and Space Administration, in testimony before the Science and Astronautics Committee of the House of Representatives.

The administration's "proposal was sent by cable Wednesday night to potential allied partners in the project who have expressed concerns about military applications of what they had originally understood would be a civilian project."

It was unclear Thursday whether the new administration position, intended to reconcile differences between NASA and the Defense Department, would satisfy the Europeans and Japanese.

Neither Mr. Fletcher nor other NASA officials would reveal details of the agreement.

The administration's proposed policy is scheduled to be discussed in negotiations with the foreign partners Feb. 11 and 12 in Washington.

Officials of the European Space Agency were to meet Friday in Paris to discuss it.

Until two months ago, the military had expressed no overt interest in using the space station, which is planned to be sent into orbit in the mid-1990s as a permanent base for research and other activities.

In December, however, the Defense Department unexpectedly asked that negotiations with foreign partners be broken off until the Pentagon could make certain that its access to the space station would not be jeopardized.

According to recent estimates, the station is expected to cost as much as \$13 billion. The European Space Agency has agreed in principle to supply a \$2 billion laboratory module and Japan has pledged \$1 billion for other components.

Mr. Fletcher testified at the hearing Thursday that there would be no major weapons systems on the platform but that some Pentagon research could be performed. He explicitly ruled out the possibility of nuclear weapons being deployed.

When asked by Representative Robert S. Walker, Republican of Pennsylvania, whether weapons research might be performed, Mr. Fletcher said, "In terms of laser beams, no." But military research on semiconductor, he said, "would be fair game."

Peace Talks On Deadline In Manila

By Michael Richardson
International Herald Tribune

MANILA — The Philippine government faced a self-imposed deadline Saturday on reviving peace talks with Communist rebels, one of two insurgencies impeding the country's progress toward political and economic stability.

The administration of President Corason C. Aquino has placed conditions and a time limit on resumption of talks with the Communists, saying they have until Saturday to reply. A 60-day cease-fire between Communist and government forces is due to expire Sunday.

General Fidel V. Ramos, the army chief of staff, said in a speech Friday to officers that government policy was to extend the truce if the guerrillas were willing to negotiate. Reuters reported. But he warned of war "in those other regions where" the rebels "remain hard-headed, where they continue to violate our laws."

[The National Democratic Front, representatives of the rebels, said Friday that "we declare an end to the cease-fire in northern Luzon," according to a statement by the region's branch of the front. The statement accused the army of bad faith and the government of offering empty gestures.]

Meanwhile, representatives of Muslim groups that have carried on a long battle against the government are scheduled to open autonomy negotiations with the government in Manila on Monday. Officials said Friday it was likely that one of the three Muslim guerrilla groups would boycott the conference.

The Communist insurgency has gradually spread from the main Philippine island of Luzon to the central and southern sections of the country.

Official estimates put the number of Communist regular troops at 23,500. Jaime Ferrer, the minister of local government, said earlier this week that nearly half of the country's villages were either infiltrated or influenced by the Communists.

Teofisto Guingona, head of the government's negotiating panel, said after meeting Mrs. Aquino and military commanders on Thursday that negotiations on far-reaching reforms demanded by the Communists must be continued within the framework of a new constitution endorsed by more than 75 percent of voters in a national plebiscite Monday.

Analysts said Friday that acceptance of this condition would be a major concession by the Communists, who had said that the charter promoted the interests of a ruling elite and "imperialist" powers, chiefly the United States.

A commander of the main Muslim guerrilla group, the Moro National Liberation Front, said last month that the Communists had proposed a tactical alliance with his soldiers if negotiations with the government failed.

The Moro front and two break-away organizations — Moro front reformists and the Moro Islamic Liberation Front — are estimated by Philippine military sources to have at least 20,000 regular troops.

They operate in the southern part of the Philippines, a predominantly Christian country with a Muslim minority concentrated in the western sector of Mindanao and adjacent islands.

Filipino Muslims began an armed struggle in the early 1970s, several years after Communist guerrillas started a revolutionary war against the government of President Ferdinand E. Marcos.

Nur Misuari, chairman of the Moro front, signed a cease-fire in a meeting last September with Mrs. Aquino in the southern Philippines. In January, he dropped the Moro front's demands for independence of the southern Philippines and agreed to begin negotiations on autonomy.

Waldheim Royally Snubbed in Belgium

By Peter Maass
International Herald Tribune

BRUSSELS — In a rare political act, King Baudouin has refused to sponsor an Austrian cultural festival here if Kurt Waldheim, Austria's president, serves on the organizing committee.

The refusal underscores the continuing international disapproval of Mr. Waldheim, who has faced virtual isolation since disclosures of the nature of his service for the German Army during World War II.

The question of Mr. Waldheim's association with the festival has also touched a sensitive nerve in Belgium, which was occupied by the Nazis during the war. King Leopold III remained in Belgium, saying he wanted to stay with his soldiers.

However, the king's act of collaborating rather than joining Belgium's anti-Nazi exiles in London deeply seared the country and led to a political crisis. Leopold abdicated in 1950, and his 20-year-old son, Baudouin, took the royal oath.

Now, a wary King Baudouin appears eager to avoid the least association with Mr. Waldheim, whose clouded wartime record has emerged since he stepped aside as secretary-general of the United Nations five years ago. Observers say the Belgian monarch wants to show



Kurt Waldheim

the royal family's abhorrence of Nazism.

The dispute broke this week when De Morgen, a left-leaning newspaper, reported that Mr. Waldheim was seeking an invitation to open the festival. De Morgen said King Baudouin opposed

this and had vowed to withdraw his name from the organizing committee if Mr. Waldheim even served on the panel.

The report that Mr. Waldheim was seeking to visit Brussels has been denied by Austria's ambassador here, Franz Ceska. "This is completely wrong," he said.

But there is little doubt about the king's refusal to have his name listed along with that of Mr. Waldheim. "It's true, this has been discussed," a source with close knowledge of the situation said when asked about the monarch's threat to withdraw from the festival. "There is a problem."

This would be the first time that the king balked at sponsoring the September festival, which is called Europaalia and which has been held in Brussels for the past nine years. Each year it features the culture of a different European country.

In all the previous years, the president of the featured country was on the Europaalia organizing committee, along with other luminaries of Belgian society and politics. Heads of state have also visited Brussels to help open the festival.

The Royal Palace refused to comment on the report in De Morgen, as is customary when questions concern potential political ac-

tivities of the king. The Foreign Ministry also was silent.

"You won't get anything out of me except two words — no comment," said a Foreign Ministry spokesman. "This is a sensitive question."

The source who confirmed the Belgian resistance — an official involved in the planning for Europaalia — said the Royal Palace did not make direct contact with Austrian authorities. Rather, King Baudouin's position was made known to Belgian officials involved in Europaalia, who communicated it to the Austrians.

While eager to avoid a blatant rebuff, the Austrians appear willing to reach a compromise. "This is not pleasant for us," said an Austrian source. "We would like to be treated like other countries."

Soviet, Pakistan Hold Talks

Agence France-Press

MOSCOW — The Soviet and Pakistani foreign ministers, Eduard A. Shevardnadze and Sahabzada Yaqub Khan, discussed Afghanistan on Friday in preparation for the resumption of indirect talks between Afghanistan and Pakistan in Geneva on Feb. 25.

Italian Report on Abu Nidal Points To Syrian Links With Terrorists

By Roberto Suro
New York Times Service

ROME — An Italian prosecutor's report that has called for the indictment of Abu Nidal, the Palestinian terrorist leader, contends that a 1985 attack on the Rome airport was planned in Syria and carried out by the Abu Nidal group, according to senior judicial officials.

The report asserts that the four gunmen who conducted the attack had intended to seize an Israeli airliner and blow it up over Tel Aviv but were foiled when security men opened fire on them, the officials said.

The Abu Nidal group was also responsible for the attack on the Vienna airport, which took place simultaneously on Dec. 27, 1985, according to the report filed earlier this week but still covered by judicial secrecy.

A total of 30 persons died in the two attacks and more than 110 were wounded.

Abu Nidal is a Syrian-based terrorist leader whose real name is Sabri el-Banna.

In his report, the public prosecutor, Domenico Sica, requests that

three persons be charged with perpetrating a massacre. His recommendations are being reviewed by a judge, who will decide whether to call a trial.

Mr. Sica's report does not charge direct involvement by Syrian government officials in the airport attack, although it notes evidence of links with the Abu Nidal group, according to a magistrate familiar with the document.

A parallel investigation into several terrorist actions possibly organized by Abu Nidal in Italy is still under way, and that inquiry is trying to determine whether Syria was supporting the group, said officials involved in anti-terrorism efforts.

Italian and U.S. officials contended shortly after the 1985 attacks that the attacks had been carried out by the Abu Nidal organization and that there was strong evidence of Syrian support for the group. Syria denied any involvement.

Many of the allegations in Mr. Sica's report are based on confessions by the survivor of the squad that attacked the Rome airport, Ibrahim Mohammed Khalid, 19.

According to judicial officials,

Mr. Khalid provided a description of Abu Nidal's headquarters in Damascus, where terrorist actions were planned and begun.

Mr. Khalid, who maintained he had contacts with the intelligence branch of the Syrian Air Force, also described Abu Nidal's training camps in a part of the Bekaa region of Lebanon under Syrian Army control and he alleged that operations ranging from single assassinations to large-scale attacks were rehearsed there, the officials said.

During training, Mr. Khalid said, Abu Nidal operatives were told repeatedly that they would mount a series of terrorist actions that would prompt a world war.

Mr. Sica's report asserts that the Abu Nidal group is financed through extortion against the rich Gulf nations of the Middle East, and that it has a large number of resident members in Europe.

Officials familiar with Mr. Khalid's statements and the prosecutor's report said that Mr. Khalid also provided detailed information on Abu Nidal's operations in Europe, much of which has been independently confirmed.

Last U.K. Union Ends Strike at Murdoch Plant

The Associated Press

LONDON — The 13-month strike against Rupert Murdoch's computerized newspaper plant in east London ended Friday when a second print union pulled out of the dispute.

The National Graphical Association's decision was made 24 hours after the larger Society of Graphical and Allied Trades voted to abandon its picketing at the plant in Wapping.

The National Graphical Association announcement said its national council had voted not to continue the confrontation with Mr. Murdoch's News International Co., which publishes The Times, The Sun, and two weeklies, Sunday Times and News of the World.

Picketing and demonstrations at the plant would end immediately, said Tony Dubbins, general secretary of the National Graphical Association. He said he informed the company and was told an offer to pay compensation to dismissed workers would now be available to his members.

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TEST: Soviets Debate Reagan Power

(Continued from Page 1)

Force general and former chairman of the Joint Chiefs of Staff, and former Senator Charles McC. Mathias Jr., Republican of Maryland. The American said Mr. Gorbachev and other officials hinted at some flexibility in Moscow's opposition to the testing in space of components of a U.S. space-based missile defense system.

Limitations on the development of space-based weapons, the Strategic Defense Initiative, have been the major stumbling point in arms talks since 1983, when Mr. Reagan proposed the creation of SDI.

While reiterating Moscow's official negotiating position that research be limited to ground laboratories, Mr. Gorbachev and other officials said they would not oppose further discussion about what sort of testing would be permissible, the American said.

He said the Soviet leaders perceived struggle over arms control policy among factions in the U.S. administration.

"We repeatedly heard complaints about the lack of a consistent American position," the former official said. He added, "Gorbachev told us they were at sea trying to figure out what Washington wants."

Test Moratorium to End

Gary Lee of The Washington Post reported earlier: The Soviet Union said Thursday that its decision to resume nuclear weapons testing was based on

growing risks to the Soviet Union's security interests and the refusal of the United States to agree to a mutual ban on nuclear explosions.

Deputy Foreign Minister Vladimir F. Petrovsky said that as soon as the United States halted nuclear testing, the Kremlin would do so. He said Moscow would be willing to pursue compromise steps toward a ban, including a joint reduction in the frequency and yield of nuclear tests.

The Soviet announcement followed the first U.S. nuclear explosion this year, in Nevada on Tuesday. The Soviet leadership said in December that Moscow would end its unilateral moratorium after the first U.S. test in 1987.

Mr. Petrovsky would not give a date for the next Soviet nuclear test. Nor would he say whether preparatory work had begun at Soviet testing grounds.

He said a resolution passed Wednesday by Democrats in the U.S. House of Representatives urging an end to nuclear testing provided "grounds for hope that reason will triumph and a responsible policy will be pursued."

Mr. Petrovsky and other Soviet officials declined to say whether the Soviet tests would be aimed at countering SDI.

Evgeni M. Primakov, director of the Institute for World Economics and International Relations, said, however, that Moscow did not intend to build weapons matching those in SDI.

KOREA Opponents Held

(Continued from Page 1)

in thwarting previous rallies by the political opposition.

More than 22,000 people signed up to be on the organizing committee for the memorial service. Among them are Cardinal Stephen Kim Sou Hwan, head of the country's two million Roman Catholics, and some Protestant leaders.

The government of President Chun Doo Hwan has accused the opposition of "politically abusing" the death of Mr. Park, 21, who was a politically involved student at the elite Seoul National University.

Mr. Park was suffocated Jan. 14 when two police officers forced his throat against the edge of a bathtub during water torture, according to official accounts.

The government contends that the purpose of the memorial service is to gather people together for violence.

Dissenting groups, however, said they would not initiate violence and only wish to honor the student. In recent days, dissidents have refused government requests to cancel their plans, and on Friday both sides stepped up preparations for a confrontation.

Lawmakers from the New Korea Democratic Party passed out leaflets in Seoul shopping areas urging people to attend the gathering at the cathedral.

ARTS / LEISURE

The \$2.75 Million Hairy-Paw Armchair

International Herald Tribune

NEW YORK — The price explosion in American art, whether "realist" painting of the 19th century, modern art of the 1960s, or 18th-century furniture in the English taste, is a unique phenomenon in market annals.

For the first time within living collector's memory, categories unrelated in period, style or medium, but sharing one characteristic, national provenance, are soaring sky-high all at once. The fall sales in New York made the point concerning the New York school, with works such as Jasper Johns' "Out of the Window" selling for over \$3.5 million. A similar development is taking place in academic painting, but gets less coverage in the media because some of the highest prices are offered and paid outside auction house premises, in direct transactions involving private art buffs.

While in Minneapolis visiting one of the top 10 collections of late 19th- and early 20th-century American painting, I was shown last Sunday a trompe l'oeil still life by William Harnett, datable to the early 1870s. According to a reliable source, the Minneapolis collector bought it from a private owner in 1985. The price was just under \$2.5 million. Last week, the collector was approached by another private buyer prepared to pay \$3.8 million. The offer apparently did not induce him to part with it.

True, the nominal increase roughly matches the depreciation of the dollar against most currencies. But the two parties are U.S.-oriented in their business as in their collecting. The progression remains psychologically significant. Had the Harnett still life been the work of some French artist, which could easily have been the case — Harnett spent years in Paris and it shows in his work — its wildest conceivable estimate would barely be one-twentieth the prices paid in 1985 and offered in 1987.

What is happening to furniture is equally breathtaking. For the time being, the auction houses appear to be leading. No price quoted on the private market comes near the \$2.75 million paid on Jan. 31 in New York at Sotheby's for a "Chippendale Carved Mahogany Hairy-Paw Foot Wing Armchair." This surrealism except from an 11-line caption without a verb refers to an upholstered armchair with so-called wings, or side elements, projecting from the back of the armchair at a right angle. The seat of solid mahogany, carved with rococo ornament of standard Chippendale design, rests on low, sinuous legs whose extremities affect the shape of a lion's paws, claws included — hence the surreal designation. To any but a historian of furniture design, the armchair looks deceptively like hundreds done in the style popularized in Britain by Chippendale's pattern

books. It is in small details that the precise provenance, Philadelphia, reveals itself.

Above all, Sotheby's cataloger was lucky enough to dig up a bill of sale from the Philadelphia cabinet-maker Thomas Affleck to General John Cadwalader, a member of the Philadelphia family and a patriot admired by George Washington as

SOURIN MELIKIAN

"a military genius." The bill, dated Dec. 20, 1770, merely mentions "an Easy Chair," made to match two sofas and two card tables. These are the same, the cataloger says, as card tables with "hairy paws," now in the Philadelphia Museum of Art. Therefore, the "Easy Chair" must be the wing chair. What reads like idle speculation gains some slight support from the provenance of the wing armchair. The vendor, "a gentleman," received it, Sotheby's assures us, from a relative to whom it had been given by Beatrix Cadwalader Rawle Jones. She was the only child of Mary Cadwalader Rawle Jones, a grandniece of the general.

At that point, Sotheby's ventures a guess: The initials MCI which come after the words "Antique Arm Chair" in the inventory and division of the estate of one of the general's descendants drawn up on Nov. 1, 1875, "can only refer [to] Mary Cadwalader Rawle Jones."

Sotheby's refrains from adding: "and Antique Arm Chair" can only refer to the "hairy paw wing armchair," sold Jan. 31. Many a hurried reader, impressed by the 18th-century bill of sale reproduced twice in the three-page entry, will have skipped that weak link in the "demonstration."

It says a lot for the current passion for things American, with its matching thirst for historic affiliations, that circumstantial "evidence" of this kind should have been enough to send the armchair zooming to \$2.75 million, making it the most expensive piece of furniture in the world. This happened only three months after the \$2 million psychological barrier was broken at Sotheby's on Oct. 31. The world record for furniture was then set at \$2.09 million by a French

cabinet of the 18th century. It was bound to be beaten by some American piece, although one could think of more substantial candidates than a single armchair, even with hairy paws.

It would be wrong, however, to see this extravaganza as one more touch of auction whimsy. A consistent train of events has been leading up to this outburst over the last 12 months. A threshold was crossed on Jan. 25, 1986, when an American piece of furniture vaulted the \$1 million barrier at Christie's. This was a mahogany tea table with circular scalloped top, made around 1770 in Philadelphia. With its tripod shaft resting on claw-and-ball feet, it looked very much like English Chippendale. The fact that it was American Chippendale, as the style is called, made all the difference in the world. The buyer who made art market history by bidding up to \$1,045,000 including premium was Eddy Nicholson of Southport, New Hampshire.

Nine months later, he was at it again, beating his own record, this time at Sotheby's, by paying \$1.1 million for a wing chair in the Chippendale manner. It could easily have been made for the same household as the tea table — or the hairy paw \$2.75 million armchair. Nicholson also acquired a Boston chest of drawers with serpentine front — Chippendale, needless to say — for \$660,000, and made an uncharacteristic foray into teak furniture as he bought for \$528,000 a "Pilgrim waistcoat armchair," which Sotheby's dated to circa 1675 and estimated to fetch \$44,000 to \$66,000.

It is typical of the American market that such gigantic prices should have been paid by a buyer whose acquaintance with his subject is barely six years old. Nicholson started in art by buying 19th-century American paintings in a realistic vein that do not differ much from Kitch, such as Arthur Fitzwilliam Tait's "Chicks Rounda Butterfly," or Julius Brutus Stearns' "Trout Fishing." He then proceeded to adorn with American furniture the headquarters of a company that he bought in 1975 and turned into a roaring success with his partner Byron Radaker. In August last year

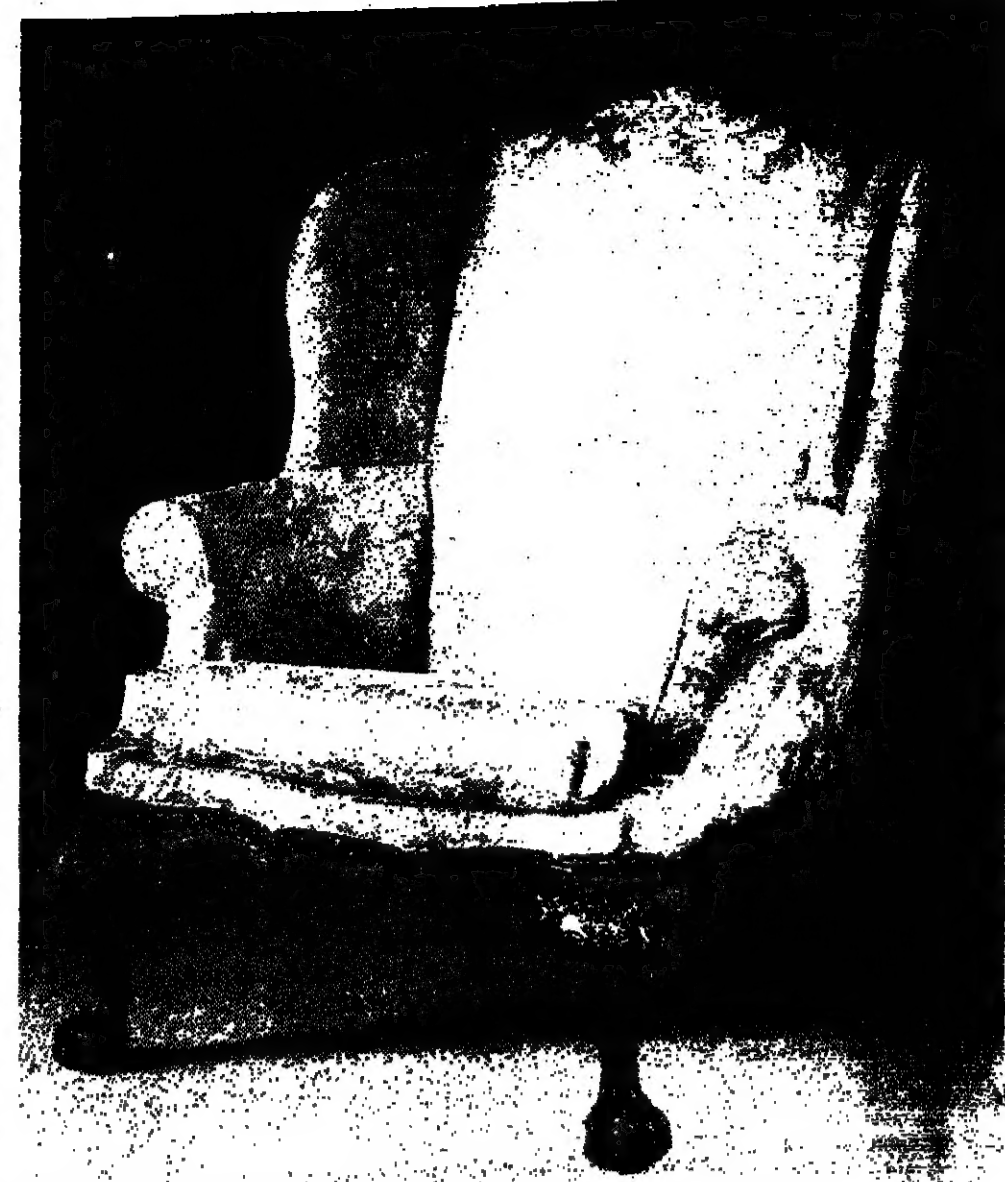
they sold the "Congoleum Corporation" for more than \$850 million.

The auction of "the Congoleum corporate collection" built up by Nicholson was less dazzling. It was held at Christie's on Jan. 27. It \$9.8 percent of the collection sold for \$1.91 million, this is essentially because the realistic minded Nicholson had put very low reserves on the items. Several pieces were copies, politely referred to in the catalog when recognized for what they were, as "Chippendale style" chairs, tables, etc. Others, bought from the most renowned dealer in American furniture Israel Sack, Inc. did not do all that well.

A "fine Queen Anne mahogany high chest of drawers, Boston, Massachusetts, circa 1755" had been acquired by Sack at Sotheby's on Jan. 24, 1984. The price at that time was \$68,750, and the dealer must clearly have taken some profit to be added on top of that. On Jan. 27 of this year, the Boston chest was allowed to go for a mere \$46,200.

It may well be an awareness of his lack of experience, and of the problems stemming from it, that eventually led Nicholson the new collector to turn to furniture graced with seemingly fast-track historic pedigrees when buying for himself. He doggedly goes on. On Jan. 24, he was the successful bidder for the \$341,000 Philadelphia Chippendale chair sold at Christie's. The chest, which now holds the world price record for any single chair, can be traced to Charles Thompson, Secretary of the Continental Congress during the Revolution. It comes remarkably close to English furniture. With good reason: The design is adapted from plate XVI of the 1762 edition of Chippendale's Directory.

Nicholson's collecting urge, and the methods he uses, are not an isolated case. All over America, dozens of men who have turned multimillionaires in dollars, often by selling the shares of companies



"The Chippendale Hairy-Paw Foot Wing Armchair," circa 1770: the most expensive piece of furniture in the world.

that were, not so long ago, family businesses, have latched on to the art market. Their preference for American art does not necessarily

have the nationalistic overtones that one so often hears about. It stems, quite naturally, from the works of art they most heard about, and found access to, in the small towns in which many were born — a powerful emotional factor in the art market, as in other walks of life.

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SATURDAY-SUNDAY, FEBRUARY 7-8, 1987

Herald Tribune BUSINESS/FINANCE

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PRICES
MIXED

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ECONOMIC SCENE

Market, Running Uphill On Eggs, Risks Messy Fall

By LEONARD SILK
New York Times Service

NEW YORK — With the Dow Jones industrial average now above 2,200, some brokers have begun to tell their customers it will go to 3,600 or 4,000 in the next couple of years. But skeptics think that the market is running on eggs and headed for a messy fall. Paul A. Volcker, chairman of the Federal Reserve Board, told a congressional committee this week that "the markets aren't looking very hard at some of the more questionable factors in the economic outlook."

He warned of "strains and imbalances" stemming from the U.S. budget and trade deficits, said that the dollar had fallen to a "dangerous point" where further decline could kick off inflation. But despite his statement that the dollar had fallen far enough, it declined sharply Monday, knocking down the bond market but pushing up the stock market.

Does the stock market know what it is doing — setting much stronger economic growth and rising profits ahead? Does the bond market know what it is doing — smelling inflation? Are these expectations consistent or is one rational and the other irrational?

David Ranson, a partner in H.C. Wainwright & Co., Economics, a Boston research and consulting concern, contends that the financial markets are "the most sensitive of indicators, the most flexible of instruments for reflecting and disseminating information." The financial markets are inevitably forward-looking, he said, because they focus on interest rates, which directly measure the value of the future dollar and reflect expected shifts in economic conditions.

Since 1981, Mr. Ranson said, the United States has witnessed an "extraordinary reversal" in a 20-year trend toward higher interest rates. Three-month Treasury bills, which averaged 14 percent in 1981, dropped to 5.98 percent in 1986.

On the basis of current interest-rate futures, Mr. Wainwright expects that three-month Treasury bills will average 5.5 percent in 1987. He also is predicting that real economic growth will accelerate from 2.5 percent in 1986 to 5 percent or more in 1987.

THUS, Mr. Wainwright, like the bullish Wall Street stock-brokers, believes that the stock market is correct about the economic outlook and that the majority of economists are overly pessimistic in expecting just 2.5 percent growth in 1987.

Not only the economists but even some old Wall Street hands are worrying, however, that the stock market boom will end badly when it collides with economic realities. Harry A. Jacobs Jr., the former chairman and now senior director of Prudential-Bache Securities, says, "I am just starting 41 years on Wall Street, and this is the first time that I am apprehensive for the long term."

Mr. Jacobs, who for the past two years has been publicly predicting that the Dow would break 2,000, adds that he is not predicting a crash "around the corner." But, farther down the road, he says, the country faces serious troubles.

"I see a worldwide convulsion caused by the obscene federal budget deficit, the enormous trade deficit, and the purchase of a worrisome amount of our federal and state bonds by the Japanese," Mr. Jacobs said.

"I see our great farming country a purchaser on balance of offshore agricultural products," he said. "I see that we have dismantled huge chunks of our basic manufacturing industry."

He warns of the explosion of private debt, "the disappearance of any coherent antitrust policy," and "takeovers on a scale that would make 19th-century pirates look like croquet players."

It is not that investors see no truth in the jeremiads of Mr. Jacobs or Mr. Volcker, but rather that they do not know when to get out and where to go.

The "when" is a major obstacle because, if even the most

See SCENE, Page 11

Paris Puts Total on Amnesty

15.93 Billion
Francs Returned

PARIS — An amnesty for the repatriation of illegally exported capital, which expired last Sunday, brought in a total of 15.93 billion francs (\$2.6 billion), the Finance Ministry said Friday.

The measure, introduced by the rightist government of Prime Minister Jacques Chirac in July 1986, allowed the re-entry of funds illegally held abroad, on payment of a fine equal to 10 percent of the amount returned.

The amnesty law was originally due to expire at the end of last year, but was extended by one month to Feb. 1. By December it had brought in 7.2 billion francs.

The new government announced the measure in April 1986, one month after its election victory over the Socialists.

Banking sources said substantial amounts of capital had been smuggled from France, particularly to Swiss banks, in breach of foreign-exchange controls in force under the Socialist administration.

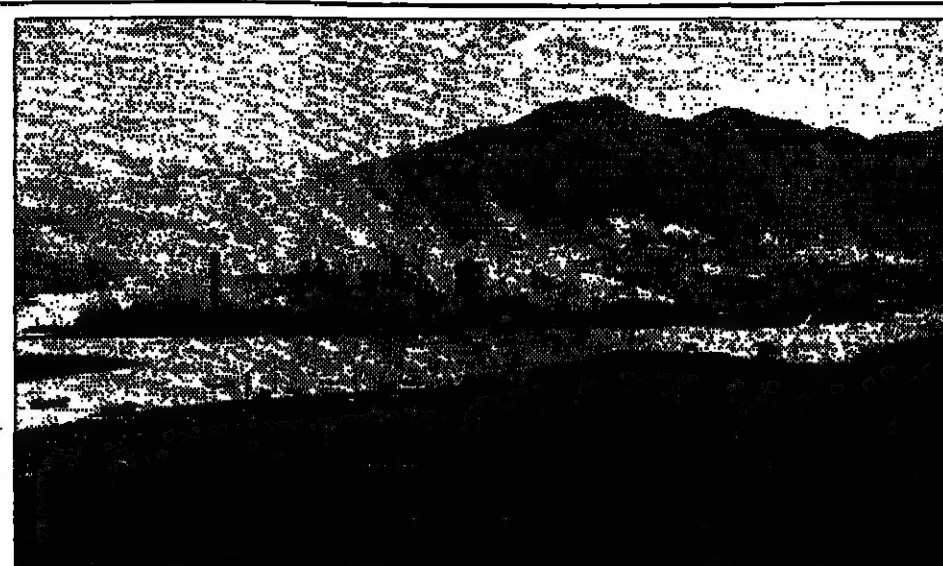
The government has also abolished controls on the repatriation of funds and the closing on certain foreign transfers and withdrawals.

Banks were also allowed to make loans in francs to nonresidents, within certain technical limits and up to their holdings in Eurofrancs.

Finance Minister Edouard Balladur said this should allow sophisticated financial operations to be carried out in France and would be a positive element for the development of Paris as an international financial center.

Individuals were also given the right to buy foreign shares not quoted on French stock exchanges and limits were abolished on payments and withdrawals made abroad by credit card and for all transfers carried out through a bank with the appropriate documentation.

Mr. Balladur said the aim of the reforms was to improve the competitiveness of banks and companies and to make investments, travel and transfers abroad easier for individuals.



Steel mills in Kitakyushu, a major Japanese industrial center.

Japanese Steel Mills Brace for Cuts

Rising Yen, Big Losses Have Brought Crisis to a Head

By John Burgess
Washington Post Service

TOKYO — Nothing has blighted industrial confidence in Japan as much as the recent news from steel companies: six-month losses of \$1.2 billion by the five biggest producers; their first worker furloughs in postwar history; plans to shut a half-dozen or more blast furnaces, and serious talk that the companies cannot survive in their present form.

The rapid rise of the value of the yen starting in September 1985 brought the crisis to a head. But the yen's rise was only the latest blow to fall on the \$70 billion-a-year industry, once the driving force behind the postwar "economic miracle."

Emergency reworking of the steel industry is now one of the great economic challenges facing Japan in the late 1980s. It is a bitter task for a country that prides itself in moving smoothly, if slowly, out of moribund industries, with no worker fired and no shareholder losing much money.

Some Japanese, however, see a silver lining: movement forward on a long-postponed necessity.

"Everyone knew something had to be done about the inefficient mills," said Minoru Hasegawa, who watches steel for Daiwa Securities Research Institute. "Now it's reached the point where the companies must act."

The government has always

viewed steel's development as a national priority.

U.S. air and naval attacks all but obliterated steel production during World War II. But it soon recovered. Despite the mills' bleak appearance and the smokestacks' pollution, many Japanese came to view them with

The 1970s also saw some unsettling competition from newly industrializing countries, such as South Korea and Taiwan. Doing precisely what Japan had done some years before, they set up high-technology steel plants run by motivated, low-cost workers.

They soon were undercutting Japan in traditional markets in the United States, the Middle East and Asia.

Japanese producers moved upscale, specializing in high-quality steel products that the Koreans and Taiwanese could not make. They began diversifying into lines such as plant engineering, oil development, silicon, ceramics and carbon fiber. They installed efficient continuous casting equipment, and late in the decade began enjoying a boom in a new product: seamless pipe used in oil drilling.

Many companies made large tie-in investments with companies in the United States to assure continued access to that market: Nippon Kokan K.K. with National Steel Corp.; Kawasaki Steel Corp. with California Steel Industries Inc.; Sumitomo Metal Industries Ltd. with LTV Corp. and Nishin Steel Co. with Wheeling Pittsburgh Steel Corp.

Size was cut as well. In 1976 Japan had 72 blast furnaces. Now there are 54, with 16 of them idle. Employment at steel

See STEEL, Page 11

Unemployment Held at 6.7% in U.S. Last Month

Compiled by Our Staff From Dispatches

WASHINGTON — The U.S. economy created 375,000 to 450,000 jobs in January to hold the civilian unemployment rate at 6.7 percent, its lowest level in nearly seven years, the government reported Friday.

The job figures, the first set of U.S. economic statistics for 1987, appeared to reflect a strengthening of the economy as the year began.

But economists warned that the surge in jobs vastly overstated the economy's strength and resulted largely from "special circumstances."

They pointed out that construction employment, for example, declined less than is normal for January, by 225,000 jobs, because the weather was unusually good when the Labor Department recorded its figures in that sector.

The number of unemployed Americans, meanwhile, rose by 74,000 to 8.02 million after dipping below 8 million in December for the first time since 1981.

The increase in the number of jobs nearly mirrored the growth in the U.S. labor force, which expanded by 450,000 to 119.03 million workers. In December, the size of the labor force dropped by 90,000, and the jobless rate fell 0.2 percent from 6.9 percent in November.

The normal seasonal decline in employment after the Christmas buying season did not develop in January, the Labor Department said. Employment in retail stores and restaurants, for example, grew by 165,000 in January after seasonal adjustments.

But the Labor Department noted that "because pre-Christmas hiring this season was less than in the past, post-holiday job cutbacks were smaller than usual." Its unadjusted figures showed an actual loss of 650,000 retail trade jobs.

The dollar rose immediately after the employment figures were reported on the belief that they would lower prospects for a cut in interest rates by the Fed.

Peter Greenbaum, an economist at Smith Barney, Harris Upham & Co., remarked, "The Fed will realize the special circumstances that

boosted January employment. But it does make a move to ease policy now a little more difficult."

Janet L. Norwood, the U.S. commissioner of labor statistics, said, "The data for January show weakness in manufacturing, but strength elsewhere in the economy."

Manufacturers added a seasonally adjusted 3,000 jobs, far fewer than the 41,000 increase in December, but the fourth straight monthly gain nonetheless.

A White House spokesman, Martin Fitzwater, said, "More American workers creating more goods means one thing: a growing economy."

But Robert Schwartz, an analyst with Merrill Lynch, said, "The Fed will read the numbers with a very cynical eye."

(AP, UPI, Reuters)

Record-Low Rise In Pay Predicted For Japanese

Reuters

TOKYO — Japanese workers are expected to accept this year their smallest pay rise since World War II.

That is the prediction of economists at the beginning of Japan's annual wage negotiations, or *shunto*, by major unions.

Faced with a growing threat of unemployment because of the high yen, the unions are considered likely to settle for an increase of 3 to 4 percent for the year starting in April.

That would be well below last year's 4.5 percent and the previous record low of 4.4 percent in 1983. Workers in major industries will be protected against pay cuts by Japan's seniority system, which virtually guarantees employees wage increases as they get older.

The government expects consumer prices to rise 1.6 percent in 1987-88.

56 Senators Offer Trade Bill Aiding U.S. Industry

By Jane Seaberry
Washington Post Service

WASHINGTON — Senator Lloyd Bentsen, chairman of the Senate Finance Committee, has introduced legislation intended to improve U.S. competitiveness and force President Ronald Reagan to help U.S. industry.

The legislation, jointly sponsored by Senator Bentsen, a Democrat of Texas, and Senator John Danforth, a Republican of Missouri, was co-sponsored by a bipartisan group of 54 senators.

It is expected to be the Senate's main vehicle for trade legislation during a session marked by calls for protection of U.S. industry and jobs.

President Reagan is expected to make public this month his own measure to address the trade deficit, which reached a record \$170 billion last year. The president opposed trade legislation before Congress last year and was

criticized on Capitol Hill for not having a coherent trade policy.

Senator Danforth said Thursday that the large number of senators backing the bill indicated concern with the deficit issue. "Clearly we have to do something," he said.

Provisions of the bill that order actions by the president either against trading partners or to protect U.S. industries are expected to be opposed by the Reagan administration. One part of the bill would require retaliation against countries found to have committed unfair trading practices.

Another provision would require the president to order import relief to industries in which there has been a unanimous decision by the International Trade Commission to grant such protection. The president now has discretion in those cases.

Other provisions of the bill would:

- Require the president to submit to Congress a detailed statement of trade policy that must include the administration's stance toward exports, import-sensitive industries, international economic coordination and developing countries.

• Require the president to initiate negotiations with countries to eliminate trade barriers that show a consistent pattern of market-distorting trade practices. The legislation named Japan.

• Lengthen the maximum time for import relief from 8 to 13 years in some cases.

• Add criteria for determining whether there is threat of serious injury to industries complaining of increasing imports.

• Change the focus of granting import relief to industries from protection to requiring them to make internal improvements.

Senator Bentsen said he hoped to get a bill to the floor by July.

Chinese Banks Expand Hong Kong Operations

Reuters

HONG KONG — Chinese state banks are rapidly expanding their branch network and business here as they take a more active role in China's modernization and in the Hong Kong economy, according to Chinese bankers based in Hong Kong.

They said in interviews that the Chinese banks, traditionally geared to serve Chinese enterprises and Hong Kong businesses with close links to China, had expanded their services in an attempt to gain a larger slice of the market.

Bank of China, the umbrella organization for 14 of the 16 Chinese banks, said deposits last year were up about 30 percent on 1985.

K.W. Wu, general manager of the business division at Bank of China's Hong Kong-Macao regional office, said this compared with average deposit growth in the Hong Kong market of 25 percent.

He said the group's lending also

China Bumps Britain In Investment Sector

United Press International

HONG KONG — China has displaced Britain as the third-largest investor in Hong Kong's manufacturing sector, ranking behind only the United States and Japan, the industry Department reported Friday.

It said China had invested \$365 million in the colony's manufacturing industries. The figures represent 18.4 percent of total overseas investment, based on original cost.

said, "Our industrial loans in Hong Kong increased over 25 percent while lending for use in China gained 50 percent."

The two banks outside the Bank of China group were Hong Kong banks taken over by Chinese interests in 1986.

In April, Ka Wah Bank Ltd. was taken over by China International Trust & Investment Corp., widely seen by bankers as Bank of China's main rival in financial services.

Four months later China Merchants Steam Navigation Co., a Hong Kong-based Chinese shipping company, bought Union Bank of Hong Kong Ltd. in a joint venture with U.S.-based Search International Ltd.

The takeovers came after a crisis of confidence hit local banking, triggered by the Hong Kong government's June 1985 takeover of the insolvent Overseas Trust Bank.

Ten of the 14 banks in the Bank of China group are branches of

Beijing-registered banks. The other four are registered in Hong Kong.

In retailing, Bank of China with its 264 Hong Kong branches is close behind Hongkong & Shanghai Banking Corp. and its Hang Seng Bank unit, bankers say.

"Retail banking is the basic business for all our members," Mr. Wu said. He said Chinese banks had been providing mortgages for years, but it was only last year they mounted a serious campaign to seize a larger market share.

Bank of Communications, a Bank of China member, became last June the first bank in Hong Kong to introduce fixed-rate mortgages, with a fixed rate for the first five years of a 15- to 20-year term.

Chinese banks are now a major force in the rapidly expanding foreign currency deposit market, banking sources said.

The Chinese banks have also made big inroads into the capital market, banking sources said.

Currency Rates

Cross Rates	U.S.	DM	FF	Yen	Swf	GBP	ITL	ESP	Yen
Australia	2.87	1.34	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Belgium	36.36	16.63	16.63	16.63	16.63	16.63	16.63	16.63	16.63
Canada	1.33	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61
Denmark	6.46	3.06	3.06	3.06	3.06	3.06	3.06	3.06	3.06
France	6.55	3.11	3.11	3.11	3.11	3.11	3.11	3.11	3.11
Germany	1.93	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91
Italy	163.6	77.36	77.36	77.36	77.36	77.36	77.36	77.36	77.36
Japan	163.6	77.36	77.36	77.36	77.36	77.36	77.36	77.36	77.36
Netherlands	3.60	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
Sweden	8.46	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Switzerland	2.00	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95
UK	1.93	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91
US Dollar	1.00	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48

Changes in London and Zurich, Italy in other European centers. New York rates of 4 P.M. 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	Vol.	High	Low	Last	Chg.
Texaco	6772	59 1/2	57 1/2	58 1/2	+ 3/4
Wickes	4913	2 1/2	2 1/8	2 1/8	+ 1/8
Worship	4624	4 1/2	4 1/8	4 1/8	+ 1/8
Equifax	4119	17 1/2	17 1/8	17 1/8	+ 1/4
Chrysler	3906	19 1/2	19 1/8	19 1/8	+ 1/4
Western	3842	27 1/2	27 1/8	27 1/8	+ 1/4
Lo-Tel	3243	33 1/2	33 1/8	33 1/8	+ 1/4
Amaro	3112	15 1/2	15 1/8	15 1/8	+ 1/4
Hedge	3110	22 1/2	22 1/8	22 1/8	+ 1/4
Tollman	2948	28 1/2	28 1/8	28 1/8	+ 1/4
Worship	2723	3 1/2	3 1/8	3 1/8	+ 1/4
FAMP	2609	9	8 3/4	8 3/4	+ 1/4
Amstar	2605	3 1/2	3 1/8	3 1/8	+ 1/4
BAT	2578	7 1/2	7 1/8	7 1/8	+ 1/4
Worship	2558	17 1/2	17 1/8	17 1/8	+ 1/4

AMEX Stock Index			
High	Low	Close	Ch'ge
317.54	314.99	316.71	+1.75

1940-1941		1941-1942		1942-1943		1943-1944		1944-1945		1945-1946		1946-1947		1947-1948		1948-1949		1949-1950		1950-1951		1951-1952		1952-1953		1953-1954		1954-1955		1955-1956		1956-1957		1957-1958		1958-1959		1959-1960		1960-1961		1961-1962		1962-1963		1963-1964		1964-1965		1965-1966		1966-1967		1967-1968		1968-1969		1969-1970		1970-1971		1971-1972		1972-1973		1973-1974		1974-1975		1975-1976		1976-1977		1977-1978		1978-1979		1979-1980		1980-1981		1981-1982		1982-1983		1983-1984		1984-1985		1985-1986		1986-1987		1987-1988		1988-1989		1989-1990		1990-1991		1991-1992		1992-1993		1993-1994		1994-1995		1995-1996		1996-1997		1997-1998		1998-1999		1999-2000		2000-2001		2001-2002		2002-2003		2003-2004		2004-2005		2005-2006		2006-2007		2007-2008		2008-2009		2009-2010		2010-2011		2011-2012		2012-2013		2013-2014		2014-2015		2015-2016		2016-2017		2017-2018		2018-2019		2019-2020		2020-2021		2021-2022		2022-2023		2023-2024		2024-2025		2025-2026		2026-2027		2027-2028		2028-2029		2029-2030		2030-2031		2031-2032		2032-2033		2033-2034		2034-2035		2035-2036		2036-2037		2037-2038		2038-2039		2039-2040		2040-2041		2041-2042		2042-2043		2043-2044		2044-2045		2045-2046		2046-2047		2047-2048		2048-2049		2049-2050		2050-2051		2051-2052		2052-2053		2053-2054		2054-2055		2055-2056		2056-2057		2057-2058		2058-2059		2059-2060		2060-2061		2061-2062		2062-2063		2063-2064		2064-2065		2065-2066		2066-2067		2067-2068		2068-2069		2069-2070		2070-2071		2071-2072		2072-2073		2073-2074		2074-2075		2075-2076		2076-2077		2077-2078		2078-2079		2079-2080		2080-2081		2081-2082		2082-2083		2083-2084		2084-2085		2085-2086		2086-2087		2087-2088		2088-2089		2089-2090		2090-2091		2091-2092		2092-2093		2093-2094		2094-2095		2095-2096		2096-2097		2097-2098		2098-2099		2099-2100		2100-2101		2101-2102		2102-2103		2103-2104		2104-2105		2105-2106		2106-2107		2107-2108		2108-2109		2109-2110		2110-2111		2111-2112		2112-2113		2113-2114		2114-2115		2115-2116		2116-2117		2117-2118		2118-2119		2119-2120		2120-2121		2121-2122		2122-2123		2123-2124		2124-2125		2125-2126		2126-2127		2127-2128		2128-2129		2129-2130		2130-2131		2131-2132		2132-2133		2133-2134		2134-2135		2135-2136		2136-2137		2137-2138		2138-2139		2139-2140		2140-2141		2141-2142		2142-2143		2143-2144		2144-2145		2145-2146		2146-2147		2147-2148		2148-2149		2149-2150		2150-2151		2151-2152		2152-2153		2153-2154		2154-2155		2155-2156		2156-2157		2157-2158		2158-2159		2159-2160		2160-2161		2161-2162		2162-2163		2163-2164		2164-2165		2165-2166		2166-2167	
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5%	5%	5%	5%
4%	4%	4%	4%
3%	3%	3%	3%
2%	2%	2%	2%
1%	1%	1%	1%
0%	0%	0%	0%

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(Continued on next page)

U.S. Futures

Via The Associated Press

Feb. 6

Grains

WHEAT (CBT)

5000 bushels, dollars per bushel

Mar 1987 224.4 238 +0.1%

May 1987 224.4 238 +0.1%

Jul 1987 224.4 238 +0.1%

Sep 1987 224.4 238 +0.1%

Dec 1987 224.4 238 +0.1%

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May 1988 224.4 238 +0.1%

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Dec 1989 224.4 238 +0.1%

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May 1990 224.4 238 +0.1%

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May 2003 224.4 238 +0.1%

Jul 2003 224.4 238 +0.1%

Sep 2003 224.4 238 +0.1%

Dec 2003 224.4 238 +0.1%

Food

Feb. 6

COFFEE C (NYCSC)

50,000 lbs., cents per lb.

Mar 1987 152.0 152.0

May 1987 152.0 152.0

Jul 1987 152.0 152.0

Sep 1987 152.0 152.0

Dec 1987 152.0 152.0

Mar 1988 152.0 152.0

May 1988 152.0 152.0

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Dec 1988 152.0 152.0

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Dec 2002 152.0 152.0

Mar 2003 152.0 152.0

May 2003 152.0 152.0

Jul 2003 152.0 152.0

Sep 2003 152.0 152.0

Dec 2003 152.0 152.0

Mar 2004 152.0 152.0

Metals

Feb. 6

COPPER (COMEX)

3,600 lbs., cents per lb.

Mar 1987 82.0 82.0

May 1987 82.0 82.0

Jul 1987 82.0 82.0

Sep 1987 82.0 82.0

Dec 1987 82.0 82.0

Mar 1988 82.0 82.0

May 1988 82.0 82.0

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Sep 2002 82.0 82.0

Dec 2002 82.0 82.0

Mar 2003 82.0 82.0

May 2003 82.0 82.0

PEANUTS

ACROSS

More sinuous
bandleader? **Smart**
"— for
Bonzo"
Ridd's bride
James I,
Charles et al.
"— the
Sofa"; Cowper
Cup, in Cannes
Tax people
Shrewdness
Fla. city
Wrote music
Outspoken
tennis player?
Memorable TV
personality
makes a
Freudian slip?
"I — Anyone
'Til You"
Words of
understanding
Drench
Quote
Closefitting
Nice summers
Series
winners: 1969
and 1986
Diner side dish

DOWN
Wool-gathering Oscar winner?
Hairdresser's tool
Likeness
Oily Mitchell hero?
Adroitness
Recolored
Goofs
Nobel Peace
Prize winner:
1984
Sutton caper
Lois or Abbe
"— melodies are sweet . . ."
Keats
Nettle
— Kunte, in

© New York Times, edited by Eugene Maleska

DOWN
Pakistani lan-
guage
Manitoba In-
dian
Cashier
Gatan's delight
Scientists'
notes
Compete
Comedian
DeLuise

BOOKS

hill. Both observers are witty and intelligent, which makes the books fun to read; even better, they are full of the spirit of adventure.

"I like walking," writes the British columnist Bernard Levin, who in a six-week hike retraced the footsteps of Hannibal, ancient Rome's archenemy, across southern France and into the Italian Alps. Unlike Hannibal, a childhood hero of the author, he made his way unencumbered by elephants. He gives us en route what may be a hiker's anthem:

"I like the steady rhythm that enables me to forget my feet and concentrate on sights, sounds and thoughts; I like the feeling of physical independence; I like to get tired naturally, rather than through the frustrations and irritations of city life, dominated by traffic and the telephone; I like the feel of walking *stick and the firm pack held in place* behind me; I like to see something in the distance — a green hill, a fine tree, a farmhouse, a church, a man playing a scythe — and approach slowly on foot rather than rush towards it on wheels."

Levin, a man past 50 and of no special physical capabilities, managed his approximately 400-mile hike without much difficulty except for occasional tired feet. He spent all but one night under a roof, usually at an inn. The exception was a tent on a storm-lashed mountain where the weather turned so

"I, true to my principle that if you are eating and drinking something good you should always remember the possibility that the world might come to an end before another hour has passed, decided to swallow rather than spit."

"Between the Woods and Water" is the second in a planned series of three books by the British author Patrick Leigh Fermor recounting a trip he made in 1934 when he was only 19. This volume takes him through the Hungary and Romenia of Old Europe on the eve of World War II.

Given his youth, it is a lighthearted romp. The Nazi threat was still distant enough to be forgotten with a Gypsy tune, a bottle of wine and romance. Skinny-dipping in a river one day, he is teased from ashore by an attractive young woman who has no intention of disappearing when he emerges to join her in the proverbial haystack.

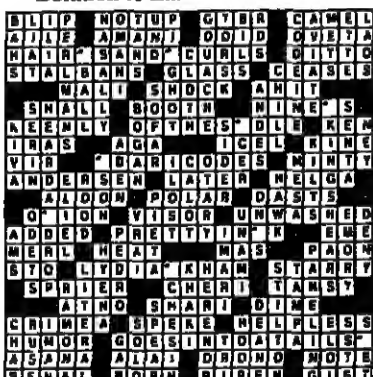
Fermor seems to have been a most self-assured young man. He traveled alone, sleeping at times in woodland caves or around a shepherd's fire when he could not reach the next village by nightfall. But family connections also got him invited as a welcome guest into the manor houses and castles of counts and dukes and other nobility.

He writes: "Tibor's sister and some friends arrived from Vienna and had a really merry party, sitting and dressing up and picnics and finally a midnight feast on the very summit of the vine-clad hill. A bonfire was lit; the carriage disgorged four Gypsies — a violin, a viola, a cymbalom and a doublebass — who assembled under a tree. The amber-colored wine we drank as we leant on our elbows round the flames was pressed from grapes which had ripened on the very slopes that dropped away all around."

If you venture out on a long-distance hike, either book would be a good companion.

James T. Yenckel is on the staff of The Washington Post.

Solution to Last Week's Puzzle



"DO YA REALIZE I'VE MISSED TWO APPOINTMENTS
ALREADY?"

WEATHER

[illegible]

Zurich 1 :
MIDDLE EAST

INTERSTATE					
Andover	5	41	—	23	fr
Burlington	—	—	—	—	no
Colts	18	64	4	16	fr
Danvers	15	39	2	35	fr
Essex	43	43	26	43	fr
Jewettville	17	63	4	39	fr
Tetl Aviv	16	61	4	39	fr
OCEANIA					
Auckland	22	72	15	39	fr
Sydney	27	81	23	72	fr
<small>fr = first; fo = foreign; h = hotel; o-overcast; se-seaside; s-sunny; sh-shower; sw-snow; st-stormy.</small>					

World Stock Markets

Via Agence France-Presse Feb. 6
Closing prices in local currencies unless otherwise indicated.

[illegible][illegible][illegible]

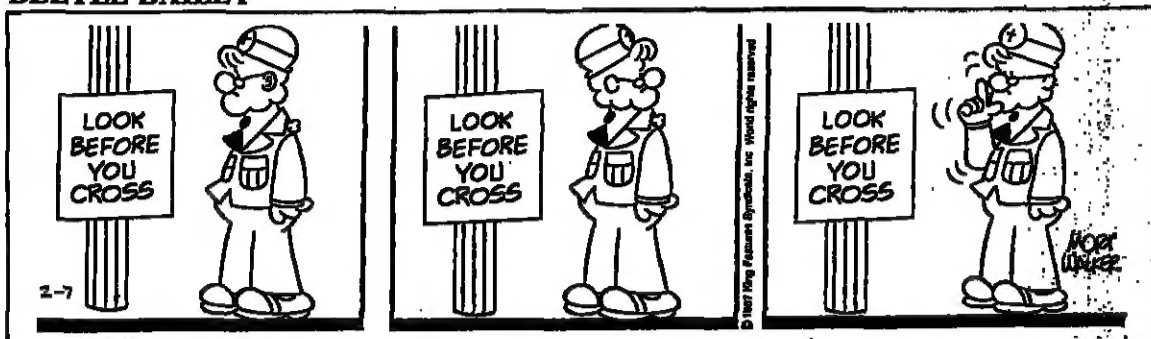
	High	Low	Close	Change
31232 Logans	917 1/2	917 1/2	918 1/2	+1/2
31233 Labovoy Co	917 1/2	917 1/2	918 1/2	+1/2
31234 Lambert	917 1/2	917 1/2	918 1/2	+1/2
31235 Lawson A	917 1/2	917 1/2	918 1/2	+1/2
31236 MDA A	917 1/2	917 1/2	918 1/2	+1/2
31237 Midland H K	917 1/2	917 1/2	918 1/2	+1/2
31238 Midwest H K	917 1/2	917 1/2	918 1/2	+1/2
31239 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31240 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31241 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31242 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31243 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31244 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31245 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31246 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31247 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31248 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31249 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31250 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31251 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31252 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31253 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31254 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31255 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31256 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31257 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31258 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31259 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31260 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31261 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31262 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31263 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31264 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31265 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31266 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31267 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31268 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31269 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31270 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31271 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31272 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31273 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31274 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31275 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31276 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31277 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31278 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31279 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31280 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31281 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31282 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31283 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31284 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31285 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31286 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31287 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31288 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31289 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31290 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31291 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31292 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31293 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31294 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31295 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31296 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31297 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31298 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31299 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31300 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31301 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31302 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31303 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31304 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31305 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31306 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31307 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31308 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31309 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31310 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31311 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31312 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31313 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31314 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31315 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31316 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31317 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31318 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31319 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31320 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31321 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31322 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31323 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31324 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31325 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31326 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31327 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31328 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31329 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31330 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31331 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31332 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31333 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31334 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
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31336 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31337 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31338 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31339 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31340 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31341 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31342 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
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31346 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
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31353 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31354 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31355 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31356 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31357 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31358 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31359 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31360 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
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31363 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
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31431 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31432 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31433 Mohr A	917 1/2	917 1/2	918 1/2	+1/2
31434 Mohr A	917 1/2			



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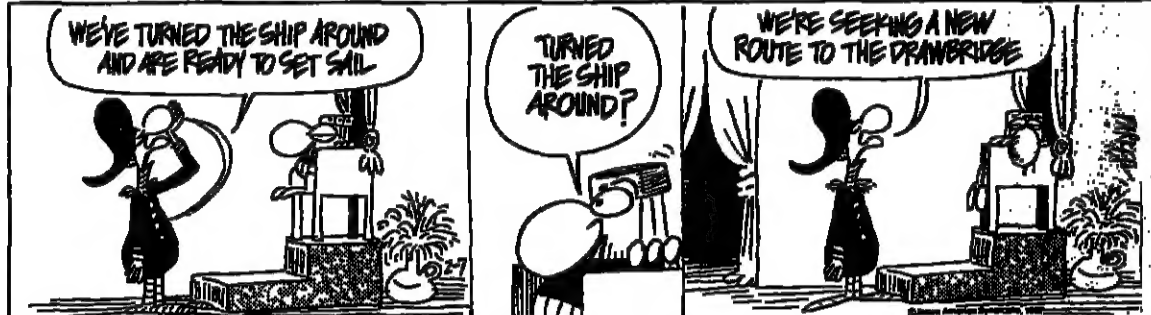
BEETLE BAILEY



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WIZARD of ID



REX MORGAN

**GARFIELD**

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SPORTS

It's Star Time in the NBA for Yesterday's Playground Dreamers

By Roy S. Johnson

New York Times Service

NEW YORK — Larry Bird became basketball's most celebrated player, a relentless workaholic whose mastery of the game sometimes



Magic Johnson has more than a passing fancy for the All-Star Game.

leaves even his peers aghast. But as a young Hoosier in French Lick, Indiana, just looking for a game, what Bird relied on most was his finely tuned ears.

"I lived with my grandma, across the street from the old schoolyard," the Boston Celtics forward recalled. "So all I had to do was hear someone bouncing a ball outside and I was gone."

Rolando Blackman has similar memories. In the hours after school, anyone inside the Blackman home on Manhattan's East Side caught only a passing glimpse of the 11-year-old boy who lived there, unless they snatched by Dimas Park two blocks away on 94th Street.

"It was just a regular thing," Blackman reminisced. "I got home, threw my books in the house and ran out. And on Saturday morning you just had to be at the park."

Michael Jordan remembers the sticky summers in Wilmington, North Carolina, at Empire Park where he spent as much time on the sidelines, waiting, as he did on the court. "If you didn't win or you weren't very good, you'd have to sit out 30, maybe 45 minutes before you got in," Jordan said. "I was always one of those guys waiting." As he completed the story, he paused for a moment. Then he smiled.

Such memories are common among professional basketball players, most of whom lived their youths on asphalt or hardwood workshops where they honed the skills that would later be showcased in the National Basketball Association. But only the elite relive these memories in what has become the pinnacle of all playground

games — the All-Star Game, the midseason break from the demanding coaches and game plans that dominate the players' lives during the regular season. This year's game is to be played Sunday at the Kingdome in Seattle.

"For 15 or 20 minutes, or whatever time you play, it's the greatest feeling in the world," said Jeff Malone, the Washington Bullets' guard who will be playing for the second straight season. "It's just you and your instincts, and you're doing things with guys you've dreamed about when it would be like to play with."

Unlike U.S. baseball and football players, who on organized teams with coaches scrutinizing their progress daily, most basketball players are part of a close-knit and more free-spirited group. Their earliest years in the sport played under no such restrictions. A player watched, learned and improved in a world where he was judged solely by his peers.

"It was embarrassing enough to get left off the first team," said Maurice Cheeks, the Philadelphia 76ers' playmaker who was selected to the Eastern Conference All-Star team for the third time in his nine-year career. "But if you sat there all day and didn't get to play, that was the worst."

Pride and ego — and often much more — were at stake long before state high school championships, college scholarships, guaranteed contracts and NBA titles were. It was the challenge of protecting one's turf that inspired the run-bending dunk, the behind-the-back pass through three startled defenders or the stuff of an opponent's shot back into his face.

And according to some of the 24 players who will meet on the floor of the Kingdome, those feelings haven't changed one bit.

"The first time I played in it, I didn't play well because I didn't realize it was going to be so intense," said Jordan, the cloud-dancing third-year guard for the Chicago Bulls, who missed last year's game because of a broken foot. "It's a fast-paced game and I had a lot of anxiety. My chest was burning so bad it was unreal."

"It'll be like when a whole crowd of bad boys from Flint came down and wanted to take over," said Earvin Johnson, whose turf was Main Street Park in Lansing, Michigan, not far from Flint. "Not only did they want to brag, but they wanted to take our girls, too."

"We had a hundred people watching, and all the girls. It's like the Super Bowl of basketball."

Get the idea that Johnson is looking forward to the game? And he has played for a team, the Los Angeles Lakers, that's won three championships and reached the playoff finals five times during his seven previous seasons. For players with no such experiences and only faint hopes of ever playing for the title, participating in the All-Star Game is the highlight of a season whose enjoyment is sometimes dimmed by the pressures and frustrations of their profession.

"It's a fantasy," said Jordan, whose Bulls have never survived the opening round of the playoffs and may not this season, either. "You have to use your creativity, and your knowledge of the game and fundamentals to adapt your game to those of the best players in the league. That may be the ultimate challenge."

K.C. Jones, of the Celtics, will coach the

Eastern Conference team for the fourth year in a row, but in an atmosphere such as that, he knows his role. "I have to be there," he said. "To put people in the game and take the heat from guys who don't think they're getting enough minutes."

In conversations last week with several of this year's all-stars, it was surprising how much the words "fundamentals" and "basics" were mentioned. "If you don't know basic basketball, you shouldn't even be in the game," said Bird, who will be starting his eighth consecutive All-Star Game. "You don't have too much time to prepare, but once the game starts you just react to situations and do what you do best."

Most of the players took the opportunity to reminisce about their days on playgrounds, driveways and backyards and how much those hours of free-form competition helped them.

For Jordan, the NBA's leading scorer and a player whose mere presence on the floor attracts the attention of every player, coach and fan in the arena, those showdowns at Empire Park were when he learned the value of competition. "The best guys would all get together on one team, so they could stay on the court all day," he said. "I wasn't as good as they were, but I always wanted to be next up because I liked to play out of my league and find a way to beat them."

"When I first started to work on my game," Bird said, "I just tried to be better every day. I'd go to basics, like trying to go to my left all one day and do nothing but rebound and pass the next. By my freshman year, I started to sense that I could do more things out there, and once I realized I could pass the ball my game completely changed. The first time I dunked was on

that court on the old schoolyard. My life changed then."

In Lansing, where there were not many courts, Johnson said, "everybody from all the high schools came over to Main Street. But we didn't believe in mixing, so it was always West Side guys against the East Side. So I think the thing I learned most was how to win because I always thought the West Side was better. And if you lost to those guys you not only lost the court but you probably lost your girl, too."

Bol's Passing Moment

The Associated Press

LANDOVER, Maryland — Manute Bol got an assist Thursday night.

What made it memorable was not that it came on the basket by Moses Malone that put their National Basketball Association team ahead to stay. Or that the Washington Bullets beat the Cleveland Cavaliers, 94-85.

What did make it noteworthy was that it was Bol's first assist this season. And that it had taken him just 662 minutes of playing time to accomplish the feat.

However, the 7-foot-6-inch (2.28-meter) center from Sudan also blocked 12 shots in the game, tying the NBA season high turned in by Mark Eaton of the Utah Jazz. "I don't want to be a guard, but I can pass the ball like other big guys," said Bol, who managed 23 assists in 80 games last season, or one every 91 minutes.

SPORTS BRIEFS

Frazier, 4 Others Join Hall of Fame

NEW YORK (NYT) — Walt Frazier, the multitalented and unrepentant basketball star who helped the New York Knicks win National Basketball Association titles in 1970 and 1973, was among five former players elected Thursday to the Basketball Hall of Fame.

Also chosen were former scoring champions Pete Maravich and Rick Barry; Bobby Wanzer, the Rochester Royals' deft playmaker for 10 seasons until he retired in 1957; and Bob Houbregs, best known for his high-arc hook shot while a three-time all-America at the University of Washington. Joe O'Brien, the hall's executive director, said it was the first time since induction began in 1959 that only players had been chosen.

Earl Monroe, Frazier's basketball mate on the Knicks from 1971 until 1977, when Frazier was sent to the Cleveland Cavaliers, was among 11 players selected by a screening committee for admission. But Monroe failed to receive the 18 of 24 votes necessary from the honors committee.

Pavin Leads Hawaii Golf Tournament

HONOLULU (AP) — Defending champion Corey Pavin birdied the last hole Thursday for a seven-under-par 65 and a one-shot lead after the first round of the Hawaiian Open Golf Tournament.

The two-putt birdie-4 on the 18th lifted Pavin out of a three-way tie with Jack Renner, who has always played strongly in the tournament, and Mike O'Grady. O'Grady, the controversial pro who opened the 1987 PGA season by winning the Tournament of Champions, built his 66 around a four-hole stretch that he played birdie, birdie, eagle, birdie.

Tom Watson, a five-time British Open winner attempting to end a two-year streak without a victory, shot 67.

Navy Wins the Battle of Long Shots

ANNAPOLIS, Maryland (AP) — The three-point shot played a major role in a U.S. college basketball game Thursday night, with Navy making 8 of 11 and James Madison sinking 11 of 21. But none was bigger, or longer, than America's David Robinson's.

His desperation, 40-foot jumper at the final buzzer gave Navy a 73-71 victory. That was after Benny Gordon's three-point shot with two seconds left had given the Dukes a 71-70 lead.

However, it wasn't all luck for the 7-foot-1-inch (2.15-meter) center, who finished with 33 points, 13 rebounds and 5 steals.

For the Record

Natalie Kravchenko of the Soviet Union broke her track cycling world record for the 500-meter standing start with a time of 30.834 seconds Thursday. Soviet sports reported Friday. Isabelle Nicoloso of France clocked 30.580 seconds in Paris two years ago but the time was never ratified by the international cycling union. (APF)

The 1987 European Cup soccer final May 13 has been moved to Athens, the Greek Soccer Federation announced, because of fears of fan violence in Rotterdam. (AP)

Quotable

San Diego Yacht Club member Pam Martin: "Dennis Conner is a household name now. He was on the cover of Time magazine. Why, he's possibly a bigger name than George Bush, you know, the vice president." (AP)

Connors Stays Lit For 1 Long Night

New York Times Service

PHILADELPHIA — Jimmy Connors' first clenched fist came after the 11th game of the third set, when he broke Scott Davis and was only one game from victory. The fire that Connors has stoked for 16 years on the professional tour is slowly being reduced to embers, and even Connors understands it is best to conserve his energy now, saving it for the points that are getting increasingly more difficult to win.

The remarkable thing about Connors, however, is that he still wins most of his matches. He has not won a tournament in three years, and perhaps he no longer is a threat in a two-week Grand Slam, but none of his fellow pros is yet prepared to dismiss him as a top 10 player.

Thursday night, in the U.S. Pro Indoor Championships, Connors persevered in 2 hours, 53 minutes of exhausting and excruciating tennis against Davis, who had won their two previous matches over a three-year span. Both players were like high rollers at a blackjack table, squandering break points like gambling chips. Connors also wasted six match points before smacking an overhead winner to give himself a 6-3, 4-6, 7-5 victory and a spot in the quarterfinals.

John McEnroe also advanced, defeating Tomas Smid of Czechoslovakia, 6-2, 6-1. Tim Mayotte beat Ben Testerman, 6-2, 6-2; Paul Anacone defeated Broderick Dyke of Australia, 6-1, 6-7, 6-3; Milan Streber of Czechoslovakia upset Tim Wilkison, 2-6, 6-4, 6-2; Jakob Hlasek of Switzerland upset Emilio Sanchez of Spain, 6-7, 7-5, 6-4; and Karel Novacek of Czechoslovakia beat Eric Jelen of West Germany, 2-6, 7-5, 6-4.

"I got to the point where I had him and just didn't capitalize," Connors said. "But I just grind it out. At no time did I ever hold back."

When Connors won the first set, then broke a disgruntled Davis to begin the second, for a 4-3 lead, it looked like a matter of two or three games before his night's work would be complete.

But then they became entangled in a 22-point game on Connors' serve. Davis had seven break points, wasting six before he scored his first break of the match, when Connors double-faulted and netted a forehand. That was when the match really began.

Davis broke Connors again in the 10th game to win the second set, held serve to start the third, then broke Connors once more to take a 2-0 lead. But Davis was unable to exploit the advantage. He could not get to the net when he wanted to, and shot-making from the baseline is not his game. Connors broke back in the third game, then broke again in the ninth to lead 4-4.

Serving for the match, he built a 40-15 lead, for two match points. Then he hit a backhand long and double-faulted to send the game to Davis. Davis pounced on the opportunity, breaking Connors to even the set at 5-5.

Back and forth it went like this. Davis playing



Jimmy Connors blew six match points during his three-hour defeat of Scott Davis.

philanthropist in the 11th game when he was broken for the fifth time in the match. Connors quickly took a 40-0 lead in the 12th game, and gave away three match points. He gave Davis one more life, before closing out the match by putting away Davis' defensive lob.

"Obviously, I'm going to feel tired tomorrow," Connors said, "but hopefully, it won't be where I can't play to my standard."

Staid America's Cup Is Entering The Laid-Back California Era

By Richard W. Stevenson

New York Times Service

SAN DIEGO — In 1942, Milton W. Stratford was a young midshipman in the U.S. Navy and something of a sailing buff, having raced competitively in his native California.

While passing through New York City, he decided he would like to see the America's Cup, which was then housed, as it had been for 91 years, at the New York Yacht Club. Dressed in uniform, he knocked on the door of that venerable institution, made his request — and was turned away.

Now, 45 years later, Stratford is a member of the San Diego Yacht Club, the new holder of the America's Cup. And like many of the members who gathered Tuesday night and early Wednesday at the clubhouse overlooking San Diego Harbor for a raucous celebration of Stars & Stripes' victory, he wants the trophy to be accessible to the public in a way it has never been before.

Much about the cup seems destined to change in the wake of the victory by Dennis Conner, who skipped Stars & Stripes to four straight victories over the Australian defender, Kookaburra III, to reclaim the prize he had lost in 1983.

The 1,000 or so members and guests who jammed the clubhouse cheered, hooted, sang, waved to television cameras, drank beer, wore T-shirts of questionable taste and generally behaved more like aficionados of one of the world's most exclusive sports.

The laid-back California era had begun. The more staid, East Coast yachting establishment was out, and with it the sedation of the cup that typified its 132-year residency on West 44th Street.

No firm plans have yet been made, but club officials envision displaying the cup on their pre-



Dennis Conner, receiving the America's Cup on Friday, was to fly back to the United States with it on Saturday.

misses for several days under tight security when it comes to San Diego. Then they hope to put the cup on the road, traveling perhaps as part of an exhibit on sailing to cities including New York, San Francisco and Chicago.

"The bottom line is that a year or 18 months from now, many millions more people will have seen the cup than have seen it so far," said Tom Wilson, a spokesman for the club.

Meanwhile, the club and the Sail America syndicate, which organized the Stars & Stripes effort, were beginning to think about where to hold the next cup defense, in 1990 or 1991. That decision must be made within four months.

San Diego is the overwhelming favorite, according to John Burnham, a club member and the son of Malin Burnham, chairman of the syndicate. But he said a committee to be formed by the syndicate and

the club probably would hear presentations from other cities interested in hosting the event, among them Honolulu, San Francisco, Newport, Rhode Island, and Atlantic City.

■ **Sailors Prefer Hawaii**
Angus Phillips of The Washington Post reported from Fremantle, Australia:

Sailors hope the site selection committee picks Hawaii, where heavy winds suit boats like the ones that were raced in Australia, and not off Southern California, where the winds are notoriously light.

The San Diego Yacht Club commode, Fred Fry, said the city has \$125 million available to build facilities to host the event and will raise more if needed. "We are going to put on the America's Cup," he said.

Conner contended that he has no say, other than a voice in nominating committee members. But as former commodore of the club and the man who almost single-handedly brought the cup back to American shores, his input will be enormous.

Conner's right-hand man, tactician Tom Whidden, said it would be "hard not to do it in San Diego. Those people supported us when no one else did."

"But speaking as a sailor," he said, "Hawaii would be best."

The Stars & Stripes crew was to leave Saturday on a charter flight to San Diego, where they were to make a three-hour stop to receive congratulations. Then it would be on to Washington for a White House reception Monday.

Tuesday, they are to be in New York for a five-day parade, and on Wednesday return to San Diego for official welcoming receptions.

SCOREBOARD

Hockey

NHL Standings

Wales Conference	W	L	T	Pts	GP	GA
Philadelphia	34	14	4	72	52	189
NY Islanders	30	26	4	64	58	178
NY Rangers	22	29	1	45	51	207
Washington	22	28	2	46	52	208
New Jersey	21	27	4	46	52	208
Pittsburgh	17	28	7	41	52	215

Adams Conference	W	L	T	Pts	GP	GA
Montreal	37	17	3	77	57	179
Hartford	27	24	6	60	57	177
Boston	22	29	5	49	56	184
Quebec	21	27	4	46	52	177
Buffalo	17	28	4	38	49	202

Campbell Conference	W	L	T	Pts	GP	GA
Minnesota	32	22	7	71	61	191
Detroit	21	24	6	48	51	184
St. Louis	22	23	6	50	51	187
Chicago	20	26	6	46	52	214
Toronto	21	28	3	45	52	217

Seaside Division	W	L	T	Pts	GP	GA
Edmonton	24	19	4	51	57	198
Whitby	20	25	3	43	51	180
Oshawa	20	24	5	45	49	181
Vancouver	17	22	4	40	43	217

THURSDAY'S RESULTS	W	L	T	Pts	GP	GA
Pittsburgh	2	2	1	5	3	10
Albany	2	2	1	5	3	10
Albany	2	2	1	5	3	10
Albany	2	2	1	5	3	10

BASEBALL	W	L	T	Pts	GP	GA
Boston	2	2	1	5	3	10
Boston	2	2	1	5	3	10
Boston	2	2	1	5	3	10

BASEBALL	W	L	T	Pts	GP	GA
Boston	2	2	1	5	3	10
Boston	2	2	1	5	3	10
Boston	2	2	1	5	3	10

BASEBALL	W	L	T	Pts	GP	GA
Boston	2	2	1	5	3	10
Boston	2	2	1	5	3	10
Boston	2	2	1	5	3	10

BASEBALL	W	L	T	Pts	GP	GA
Boston	2	2	1	5	3	10
Boston	2	2	1	5	3	10
Boston	2	2	1	5	3	10

BASEBALL	W	L	T	Pts	GP	GA
Boston	2	2	1	5	3	10
Boston	2	2	1	5	3	10
Boston	2	2	1	5	3	10

BASEBALL	W	L	T	Pts	GP	GA
Boston	2	2	1	5	3	10
Boston	2	2	1	5	3	10
Boston	2	2	1	5	3	10

BASEBALL	W	L	T	Pts	GP	GA
Boston	2	2	1	5	3	10
Boston	2	2	1	5	3	10
Boston	2	2	1	5	3	10

Basketball

National Basketball Association Standings

Atlantic Division	W	L	Pct.	GB
Boston	34	12	.739	0
Philadelphia	28	18	.610	6
Washington	24	22	.522	10
New York	16	30	.348	18
New Jersey	12	34	.261	22

Central Division	W	L	Pct.	GB
Athens	29	14	.674	0
Chicago	24	19	.558	5
Indiana	22	21	.511	7
Cleveland	21	22	.489	8
Cleveland	19	24	.442	10

Western Conference	W	L	Pct.	GB
Dallas	29	14	.674	0
Utah	28	15	.652	1
Houston	24	22	.522	6
San Antonio	18	28	.391	12
Sacramento	14	32	.304	16

Phoenix	20	28	.417	15½
L.A. Clippers	7	39	.152	27½
THURSDAY'S RESULTS				
New Jersey	32	28	25	33—118
New York	28	37	34	36—125

Golden State	20	24	.455	10
San Diego	17	27	.389	13
San Antonio	15	29	.344	15
San Jose	12	32	.300	18
Utah	11	33	.273	19
Portland	10	34	.250	20
Seattle	9	35	.222	21
Denver	8	36	.200	22
Phoenix	7	37	.188	23
L.A. Lakers	6	38	.167	24
EAST				
Cincinnati	32	28	25	33—118
Connecticut	34	26	27	35—120
Holy Cross	31	29	24	32—115
Duquesne	33	27	26	34—119

